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November 26th, 2014

Today's News:

- › Remember to Shop AmazonSmile this Holiday Season and Support the NJ CU Foundation!
- › Three NJ CUs Among Winners of CUNA's 2014 National Awards
- › NJCUL Office Closed Tomorrow and Friday for Thanksgiving Holiday
- › NPR Report Highlights Merchant Failures on Data Breaches
- › CO-OP Financial Services Earns Visa Designation as 'Engaged Issuer-Processor' for Apple Pay
- › Don't Miss Next Thursday's Webinar on IRA Reporting
- › CUNA Lending Council White Paper Discusses Finding Success with Business Lending
- › Skimming Remains Biggest Threat, Says ATMIA Global Survey

### Remember to Shop AmazonSmile this Holiday Season and Support the NJ CU Foundation!

With the Black Friday weekend and Cyber Monday approaching, remember to shop [AmazonSmile](#) in support of the NJ CU Foundation!

Through AmazonSmile, the Foundation receives 0.5% of eligible purchases made through the program.

Remember, only purchases made at [smile.amazon.com](#) will result in donations!

Tens of millions of products on AmazonSmile are eligible for donations. You will see eligible products marked "Eligible for AmazonSmile donation" on their product detail pages.

This is great way to support the Foundation while doing your holiday shopping on Amazon!

To learn more about AmazonSmile, click [here](#).

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### Three NJ CUs Among Winners of CUNA's 2014 National Awards

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- › Daily November Men's Health Tip
- › Credit Unions, Mark Your Calendars



### Information Session

**FREE  
Creative You  
Information Session  
December 10th**

We know you have innovative ideas, just like our five teams that took part in the [first year](#) of Creative You!

Wanna know what it takes to be a Creative You team? Want more information on the program? Want to network with other innovative NJ CU folks? Join us for a [FREE Information Session](#) on December 10th.

The session will feature

MADISON, Wis. – CUNA’s National Awards Committee recently selected the recipients of the 2014 Dora Maxwell Social Responsibility Community Service Award, the Louise Herring Philosophy-in-Action Member Service Award, and the Desjardins Awards for Financial Education. The awards, which are given in several credit union asset sizes, were selected among the winning entries at a league level.

Three New Jersey credit unions were among the winners! Credit Union of New Jersey was named a first-place winner for the Dora Maxwell Award in \$200-\$500 million category, Trenton NJ Police Federal Credit Union was named second-place winner for the Louise Herring Award in the less than \$50 million category, and Jersey Shore Federal Credit Union was named second-place for the Louise Herring Award in the \$50-\$250 million category.

Congratulations!

“Credit union commitment to social responsibility, philosophy and financial education are epitomized by the winners of these three esteemed awards. The values on display here exemplify the best of the credit union difference. Congratulations to each of the winners – and thank you, on behalf of CUNA, the leagues, and credit unions everywhere,” said Jim Nussle, president and CEO of CUNA.

Winning entries will be on display at CUNA’s 2015 Governmental Affairs Conference (GAC), March 8th – March 12th, in Washington, DC. The award winners will be honored during a March 11th reception.

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### NJCUL Office Closed Tomorrow and Friday for Thanksgiving Holiday

HIGHTSTOWN, N.J. – The League office will be closed tomorrow, Thursday, November 27th and Friday, November 28th for Thanksgiving.

The office will reopen on Monday, December 1st.

We wish everyone a Happy Thanksgiving!



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### NPR Report Highlights Merchant Failures on Data Breaches

The session will feature members of last year's teams as well as NJCUL staff involved. It is being held "live" at the League and also via video conference to Atlantic FCU and Members 1st of NJ FCU. Register by sending an email to Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org).

Check out details of the 2015 round of Creative You are available [here](#).

#### Upcoming Events:

December 4, 2014  
Webinar: Traditional & Roth IRA Reporting Responsibilities: Requirements, Issues & Answers  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

December 10, 2014  
FREE Creative You Information Session  
Location: NJCUL and via Video Conference  
11:00 am to 1:00 pm  
[More Information Click Here](#)

December 11, 2014  
North-Central Chapter Meeting: Allowance for Loan Losses  
Location: Luciano's in Rahway, NJ  
12:00 pm to 2:30 pm  
[More Information Click Here](#)

#### ON DATA BREACHES

WASHINGTON – Merchant data security breaches—their effects on consumers and the reactions of retailers—were highlighted on a [recent segment](#) of National Public Radio's (NPR) "All Things Considered."

Reporter Aarti Shahani followed a security expert who was able to point out how easily a hacker could infiltrate a retailer's point-of-sale network. EMC's Davi Ottenheimer noted a card reader—similar to ones he had at home—connected to a tablet left unattended in a high-end retail store. At another large retailer, no one noticed that he was paying more attention to a computer plugged into the network than to the merchandise.

"A lot of times, a lazy approach to security is just to make information difficult to get," Symantec security expert Orla Cox told NPR. "Just because you're not talking about it isn't actually making you any more protected."

The incentives are small for retailers to take on more responsibility. They want to keep information technology budgets down, and they don't have to pay, even if they are at fault. Financial institutions pick up the bill, Shahani said.

CUNA, NPR noted, "is asking lawmakers to intervene, so that retailers are held to stricter security and disclosure rules."

CUNA worked with NPR, providing statistics on the costs of the data breaches—costs that credit unions and banks pick up. The text version of the segment links readers to CUNA's Stop the Data Breaches [fact sheet](#).

Chris Leggett, president/CEO of \$989 million-asset LGE Community CU, Marietta, Ga., told NPR that the issuers are bearing the brunt of the expenses. "It sure would be nice if the merchants would be willing to share in the cost of cleaning it up due to their lax security," he said.

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## CO-OP Financial Services Earns Visa Designation as 'Engaged Issuer-Processor' for Apple Pay

### *CO-OP Active with Both Visa and MasterCard in Enrollment of Credit Unions*

RANCHO CUCAMONGA, Calif. – CO-OP Financial Services announced that it is a Visa "Engaged Issuer-Processor," authorized to immediately service the enrollment of credit unions in Apple Pay, making it the only CUSO with this designation.

"CO-OP is ahead of many competing credit and debit processors that have not been granted this designation because they do not have the direct links to Visa as we do," said Stan Hollen, President/CEO, CO-OP



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## SERVICES

Financial Services. "We are working directly with Visa without having to pass through an intermediary."

CO-OP has been active with both Visa and MasterCard since the introduction of Apple Pay in September to enroll its clients in the program. The company already has credit unions in the implementation validation process at Visa and MasterCard, and CO-OP expects many of its credit unions to be in the final stages of testing in December.

"We believe Apple Pay presents a unique revenue opportunity for credit unions by providing their members with the latest in digital wallet technology," said Hollen. "We are also seeking to bring the lowest aggregated issuers fees to our credit unions."

CO-OP is also focusing on industry education concerning Apple Pay. CO-OP conducted webinars in September and November on Apple's new digital wallet, content from which is now available on the company's Tokenization Resource Center, located at [www.co-opfs.org/tokenization](http://www.co-opfs.org/tokenization).

The center also includes an "Ask the Expert" feature allowing visitors to get answers to tokenization-related issues from CO-OP submit matter experts.

For more information, visit [www.co-opfs.org](http://www.co-opfs.org) and CO-OP's Tokenization Resource Center at [www.co-opfs.org/tokenization](http://www.co-opfs.org/tokenization).

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## Don't Miss Next Thursday's Webinar on IRA Reporting

**Traditional & Roth IRA Reporting Responsibilities:  
Requirements, Issues & Answers  
Thursday, December 4, 2014  
3:00 pm - 4:30 pm ET**

Understanding and complying with IRA reporting requirements can be a daunting, complex task. Join us for a simple explanation of the reporting rules, regulations, and responsibilities facing IRA custodians in 2014 and beyond on Thursday December 4th.

From 1099-R and 5498 reporting, to member and beneficiary statement/notice requirements, this Webinar will cover this maze of rules and provide a clear, concise path. You will learn there are choices on how to handle certain reporting requirements depending on your financial institution's philosophy and operational capabilities.



This session will provide back-office IRA support or operations staff with valuable, current information. Member contact staff will be able to

with valuable, current information. Member contact staff will be able to confidently answer IRA questions that arise throughout the year when members receive one of the many IRS reporting forms or IRA account statements and notices.

#### HIGHLIGHTS

- 1099-R and 5498 reporting requirements and deadlines
- Summary of required IRA holder statements and notices, including account, fair market value, and required minimum distribution statements and notices
- Review of beneficiary reporting and notice requirements
- Deadlines and penalties for missing reporting and notice deadlines
- How to handle reporting mistakes and make corrections
- Effectively addressing common questions

Click [here](#) for more information, pricing options, and to register.

*EDUCATION CANCELLATION POLICY: NJCUL must receive written cancellation in our office seven (7) days prior to the education session in order for you to receive a refund; substitutions only after this date. All cancellations will be subject to a \$25 cancellation fee.*



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## CUNA Lending Council White Paper Discusses Finding Success with Business Lending

MADISON, Wis. – Credit unions offering "business loans" to their members is nothing new. In fact, credit unions have been doing just that to various degrees since the movement's inception. What is new, or at least noteworthy, is the increasing size of the commercial loans being made by today's credit unions as well as the similarly growing number of credit unions originating them.

A new white paper, *Advanced Member Business Lending: Finding Success in the Commercial Lending Space*, published by the CUNA Lending Council, explores:

- A brief history of credit unions and commercial lending
- Deciding to start a business loan program
- Entering the market
- Translating experience with indirect lending to commercial lending
- Keys to success
- Focusing on a particular niche



- Partnerships and their role

CUNA Council members are eligible to receive complimentary copies of this, and more than 300 other white papers.

The paper is available online in the [white paper section](#) of [www.cunacouncils.org](http://www.cunacouncils.org).

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## Skimming Remains Biggest Threat, Says ATMIA Global Survey

LONDON and SIOUX FALLS, S.D. – Increased attacks from a wider range of skimming devices, including increasingly smaller devices, continue to plague the ATM industry, according to the ATM Industry Association (ATMIA) Global Fraud Survey.

Roughly 43% of respondents cited digital skimming as the predominant technique for skimming, up from 38% in 2013. Criminals have opted to develop smaller, more sophisticated electronic skimming devices.

For physical attacks, more than 50% of respondents reported the most common criminal devices were hammers and crow bars to pry open the ATM, followed closely by gas and explosive attacks.

Also, ATM fraud is increasing around the world, but at a slower rate than last year, according to the survey.

About 45% of respondents said criminal attacks are increasing, with 12.61% saying attacks were up sharply and 32.77% saying they rose moderately. The 45% figure is down from the 2013 survey where 52.1% said criminal attacks on ATMs were increasing. The rate of increase is back down to the 2012 level of 45%. About 17% said attacks are decreasing, similar to last year's figure.

About 11% respondents said the cost of fraud to ATM businesses had increased sharply. Another 59% said the cost had increased moderately. In 2013, about 16% said the cost of fraud had increased sharply and 44% said the cost was increasing moderately.

At the same time this year, about 25% said they were investing much more on ATM security technology than they were six months ago. Roughly 36% said they were investing a little more than six months ago. In 2013, those figures were 14.6% and 38% respectively.

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## NCUA Updates Corporate Resolution Cost and Guaranteed Notes Web Pages

ALEXANDRIA, Va. – The NCUA has updated information about the costs of the [Corporate Resolution Program](#) and the performance of the [NCUA Guaranteed Notes Program](#).

The upper and lower ends of the projected Stabilization Fund assessment range remain negative, from a negative \$2.2 billion to a

negative \$200 million. It is unlikely credit unions will be charged future assessments as long as the projected assessment range stays in negative territory. However, the projections are subject to change based on the performance of the failed corporates' legacy assets, future legal recoveries and economic variables such as interest rates, unemployment and housing costs.

"The fact that the assessment range is a double negative is a positive for credit unions," NCUA Board Chairman Debbie Matz said. "We've come a long way since 2010, when the assessment projections ranged as high as \$9.2 billion, but we have more work to do. Our efforts to hold accountable those Wall Street firms responsible for the corporate crisis continue, and we must continue to effectively manage the Stabilization Fund."

Credit unions have paid \$4.8 billion in assessments since the creation of the Stabilization Fund in 2009. The Stabilization Fund is scheduled to expire in 2021. Matz said NCUA is still obligated to repay \$2.6 billion in outstanding borrowings from the U.S. Treasury. Principal and interest on the NCUA Guaranteed Notes, as well as other obligations of the Stabilization Fund, also must be fully repaid before NCUA can distribute any remaining funds to credit unions.

Interested parties can read [Questions and Answers: Second Quarter 2014 Corporate System Resolution Costs and Assessment Range](#) for detailed information about costs incurred to date and projected future assessment ranges over the life of the Stabilization Fund.

To promote transparency, NCUA will continue providing periodic updates on the estimates about the costs associated with the Corporate System Resolution, the performance of the NGN Program and the total anticipated assessments credit unions will pay during the life of the Stabilization Fund. All of these can vary over time. NCUA uses BlackRock, an independent securities valuation firm, to project the future performance of the legacy assets in the Guaranteed Notes, a key component of this analysis.

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## Conforming Loan Limits to Remain at \$417K in 2015, Says FHFA

WASHINGTON – Maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac will remain unchanged in most of the country, the agency announced Monday. The limit will be \$417,000 for one-unit properties.

The limits are established under the terms of the Housing and Economic Recovery Act (HERA) and are calculated each year. HERA sets maximum loan limits as a function of median home values.

Loan limits will rise in 46 counties because those counties experienced increases in local home values. Although other counties experienced home value increases in 2014, after other elements of the HERA formula were accounted for the local-area limits were left unchanged, according to FHFA.

CUNA urged FHFA Director Mel Watt not to reduce the loan limits.

The [list](#) of the 2015 maximum conforming loan limits for all counties and county-equivalent areas in the country has been posted to the agency's Web site.

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## Daily Movember Men's Health Tip

### INCREASE GOOD FATS AND GOOD CARBS IN YOUR DIET

Just in time for Turkey Day! Some of the standard nutritional advice of the past is undergoing change. And this is particularly true in the growing emphasis on making a distinction between good fats and carbs — such as omega-3 fatty acids and whole grains, which should actually be increased in our diet — and bad fats and carbs, such as saturated fats and highly refined grains, which of course should be decreased. In other words, just "cutting down" on fats and carbs is not precise enough anymore.

support movember



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## Credit Unions, Mark Your Calendars

HIGHTSTOWN, N.J. – The New Jersey Credit Union League would like you to mark your calendars for these upcoming events:

### **NJCUL Education**

December 2 -- [VirtualCorps Webinar: Expanding Your CU into Non-Conventional Financial Services](#)

December 4 -- [Webinar: Traditional & Roth IRA Reporting Responsibilities: Requirements, Issues & Answers](#)

December 9 -- [VirtualCorps Webinar: Enhancing Leadership Skills For Boards Of Directors](#)

December 10th -- [Creative You Information Session](#)



## **Industry Events**

December 9 -- [South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering](#)

December 11 -- [North-Central Chapter Meeting: Allowance for Loan Losses](#)

## **2015**

March 8-12 -- [CUNA's 2015 GAC](#)

April 13-15 -- [CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City](#)

April 28 -- [NJCUL's 27th Annual Golf Tournament](#)

June 1 -- North Jersey Federal Credit Union Foundation's Annual Golf Outing

September 28th -- Picatinny Federal Credit Union 17th Annual Golf Outing

October 4-6 -- NJCUL's 81st Annual Meeting & Convention

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