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December 4th, 2014

Today's News:

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Holiday Safety and Robbery Prevention Tips

The holidays are upon us and, unfortunately, so are crimes like fraud and branch robberies. The robbery of a credit union is a traumatic event no matter what the circumstance. Unfortunately, robbery of a financial institution such as a credit union branch is also not going away as evidenced by recent robberies of at least five New Jersey credit union branches in the past four or five months. The Federal Bureau of Investigations' (FBI) [most recent statistics](#) show that the number and frequency of fraud and robberies typically goes up around the holidays. The aftermath of such robberies creates uneasiness and sometimes fear for employees and members who may have been at the credit union at the time of the robbery. Unfortunately, a robbery event can also result in litigation and lost time at work for employees.

All of this should make robbery prevention a priority for each credit union office. Following accepted best practices and adherence to proven countermeasures could prevent many, if not most, robberies. Additionally, annual training that is meaningful and taught by professionals will help to mitigate the affects of a robbery and enhance everyone's safety.

Here are some tips for robbery prevention and staff/member safety in the event of a robbery:

- **It is critical to have regular security assessments.** A security risk assessment is a first step in robbery deterrence and prevention. Depending on the level of risk and crime rate of the credit union's geographic location, that assessment can range from every year to every other year in lower crime areas. The frequency and manner of assessment is a matter

College Scholarship
Through the YIB Scholarship
Program!

› Comptroller Curry Seeks
Input on Regulators'

EGRPRA Review

› Credit Unions, Mark Your
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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 members of last year's teams as well as NJCUL staff involved. It is being held "live" at the League

of choice. Frequent checks that cameras/video imaging is working as well as physical security; i.e. security doors, opening/closing procedures are practiced, safe codes/phrases are used, etc.

- **Make eye contact and greet each person who enters the credit union.** Although this may seem trivial, to a robber one of the most important goals is not to be recognized or be subject to a description later.
- **Train your staff to remain calm during a robbery, no sudden movements.** Following instructions of the robber carefully, not resisting or refusing to give the money, and being very careful after a robbery not to follow the robber out of the credit union. Robbers want the money quickly and to make their getaway.
- **Staff must be observant.** When casing a branch, robbers don't like staff that is alert and observant. They are likely to move on to another target if they see staff being alert and attentive to everyone that walks through the branch front doors. During a robbery, it is best not to make eye contact with the robber, rather follow instructions by keeping your hands in view and your eyes somewhat downward. You may be able to note a tattoo or distinctive clothing by following this practice for later identification to law enforcement.
- **Credit unions in high crime areas may want to hire security guards for the holiday season.** It is very important if security guards are used to determine the training, post orders, and actions that the security guard is expected to perform.

For more information, click [here](#) for the League's archived Webinar titled, "Robbery Preparedness for Staff".

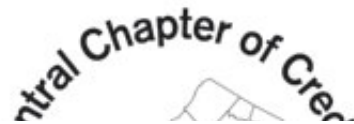
Contact the NJCUL Compliance Center for additional resources and programs on how we can help your credit union comply and grow. Contact Nicola Foggie, Director of Compliance, at nfoggie@njcul.org or call 800-792-8861, ext. 112.

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Don't Miss Thursday's North-Central Chapter Lunch Meeting

RAHWAY, N.J. – Join the North-Central Chapter on Thursday, December 11th for a lunch meeting from 12 p.m. to 2:30 p.m.

This Chapter meeting, which will feature CPA Brent Hamilton, is designed for CEO's, CFO's, CLO's, and Management to review the FASB model when accounting for credit losses on debt instruments. There are new rules that call for an entity to recognize an allowance for



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.

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

Upcoming Events:

December 9, 2014
VirtualCorps Webinar:
Enhancing Leadership
Skills for Boards of
Directors
3:00 pm to 4:00 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 15, 2014
Webinar: Managing the
Force-Placed Flood &
Insurance Processes
3:00 pm to 4:30 pm
[More Information Click Here](#)

Contact Us:

Address
299 Ward Street
Hightstown, NJ 08520
Driving directions

credit losses based on its current estimate of contractual cash flows not expected to be collected. This will be a very informative session that will also cover how local environmental factors dictate when properly funding your allowance for loan losses.



Come join your peers for networking plus an educational session.

The meeting will take place at Luciano's Italian Restaurant in Rahway, N.J. and the cost to attend is \$30 per person.

The registration deadline is Friday, December 5th.

[Click here for the full registration form.](#)

Chapter meetings are not limited to credit unions in that chapter only. All meetings are open to any NJCUL member credit union, regardless of their chapter affiliation. Please feel free to attend any chapter meeting to mix and mingle!

More Chapter information as well as the dates of all upcoming Chapter meetings is available on the League Web site at www.njcul.org/chapters.aspx.

Please note: Only New Jersey Credit Union League preferred vendors are able to attend New Jersey Credit Union League Chapter events and meetings.

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Judge Denies Target's Motion to Dismiss Data Breach Lawsuit, CUNA Encouraged

ST. PAUL, Minn. – A federal judge has denied a motion by Target to dismiss the lawsuit against the company as a result of last year's data breach, a move that is encouraging to CUNA.

A U.S. District Court judge said Tuesday that three of the four counts in the plaintiff's complaint against Target will stand.

According to the ruling, "Plaintiffs have plausibly pled a claim for negligence, a violation of the [Plastic Card Security Act (PCSA)], and negligence per se. Plaintiffs failed to plead reliance, however, and therefore their negligent misrepresentation claim must be dismissed without prejudice."

CUNA General Counsel Eric Richard said the decision is a positive development that is encouraging to the trade association.

"Although any recovery for credit unions from this litigation remains uncertain and potentially years away, we are glad the court understands the basic reality that merchants owe a duty of care to financial institutions," he said. "CUNA will continue to work with litigators across the country to pursue every legal avenue for credit

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mitigators across the country to pursue every legal avenue for credit unions as a result of the failure of merchants to safeguard the data of their customers."

The plaintiffs, which include \$286 million-asset CSE FCU, Lake Charles, La., claim that Target:

- Was negligent in failing to provide sufficient security to prevent the hackers from accessing customer data;
- Violated Minnesota's PCSA, which states that "Whenever there is a breach of the security of the system of a person or entity that has violated this section...that person or entity shall reimburse the financial institution that issued any [credit or debit cards] affected by the breach for the costs of reasonable actions undertaken by the financial institution as a result of the breach;
- Was negligent by violating the PCSA; and
- Failed to inform plaintiffs of its insufficient security, which constitutes a negligent misrepresentation by omission.

Attorney Craig Newman, who advises on data security issues, told *The Hill* Wednesday that the ruling "is one of the first decisions that clarifies the legal muddle" between retailers and financial institutions, adding that the ruling means these institutions "won't necessarily be left holding the bag."

Target's data security breach, which occurred one year ago, compromised 40 million debit and credit card numbers and the personal information of as many as 70 million customers.

"With the holiday spending season under way, the potential for another massive breach like last year's Target violation is on the horizon," said CUNA's president/CEO Jim Nussle. "Nothing is being done to quell these breaches on the retailers' end, nor are retailers like Target reimbursing credit unions for the losses credit unions suffered due to insufficient merchant data security standards.

"One year later, credit unions still haven't received anything in reimbursements from the store chain—and that really stings."

The nationwide [Stop the Data Breaches](#) grassroots campaign continues. CUNA and the NJCUL are encouraging all credit union professionals, volunteers and members to [email](#) their lawmakers in Congress.

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Order Your CU4Kids Holiday Icons Today!

Support your local Children's Miracle Network Hospital this holiday season by selling Credit Unions for Kids icons to your members.

The Credit Unions for Kids' annual [Holiday Icon Campaign](#) is a fun, turnkey and cost-free opportunity for your credit union to raise much needed funds for your local Children's Miracle Network Hospital. Support kids in your community by offering winter-themed icons to your members for a dollar donation.

your members for a dollar donation.

When you participate in a CU4Kids fundraiser, **every dollar** you raise goes to help children in your community. And **every dollar** makes a big difference in the life of a sick kid:

- Wee Pee sized diapers, for babies weighing less than 800 grams, cost **\$0.41**
- Preemie sized diapers, for babies weighing up to 4 pounds, cost **\$0.50**
- Size 1 blood pressure cuffs for the smallest child patients, cost **\$1.08**
- Baby blankets in the Neonatal and Infant Critical Care Unit, cost **\$4.00**

Helping kids in your community has never been easier! [Click here to order your icons today](#). Thank you for your continued support.



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Agility Recovery Invites You to Sign-Up for its 12 Days of Preparedness Newsletter

With the hustle and bustle of the holidays, it's easier than ever to let your guard down. But as we've seen time and time again, disasters have no schedule.

Sign up for Agility's 12 Days of Preparedness newsletter to ensure your holiday season is merry & bright no matter what.

To ensure everyone has a safe and happy holiday season, Agility invites you to join us for the 12 Days of Preparedness.

Each week throughout the month of December, Agility will deliver several quick and easy preparedness tips directly to your inbox. Don't let a disaster dampen your spirit. Agility is here to make sure your holidays and merry & bright no matter what.

Topics include:

- How to safely deck the halls
- Preparing for a winter wonderland
- Winterizing your disaster recovery kit
- Preparedness gift ideas for friends & family

Simply fill out [this form](#) and Agility will deliver weekly disaster recovery tips directly to your inbox throughout the month of December.



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Directors: Learn How Guide Your CU to Increased Viability and Performance

**VirtualCorps Webinar:
Enhancing Leadership Skills For Boards Of Directors
Tuesday, December 09, 2014
3 p.m. to 4 p.m.**

VirtualCorps.com™

Board members have a fiduciary responsibility to guide the direction of the credit union to increase viability and performance. High performance boards focus their efforts on leadership related activities that focus on this fiduciary duty. Many other boards, however, get caught up “in the weeds” with busy tasks that distract from their real duties.



Next Tuesday’s VirtualCorps Webinar “Enhancing Leadership Skills For Boards of Directors” will identify the three groups of tasks that can occupy board time and help in the development of strategies that will maximize the output of board activities.

Attendees, along with speaker [Dr. Randy Thompson](#), will:

- Review what distinguishes highly effective boards from others
- Learn skills to become a highly effective board
- Review agendas and board packets from high performing boards
- Identify training options for high performing boards
- Discuss board/CEO partnerships that foster high performance

Time: 3 p.m. to 4 p.m.

Cost:

Live Webinar Only: \$99
Recorded Version Only: \$99
Live Webinar & Recorded Version: \$125

Registration

To register and pay by check, email Mary Zelinsky at mzelinsky@nicul.org and your credit union will be invoiced. To register and pay online, click [here](#).

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.



• Education • Development • Growth • Essentials •

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Fannie, Freddie Ease Lending Guidelines for Clarification, Faster Turnaround

WASHINGTON – New guidelines from Fannie Mae and Freddie Mac take effect this week, guidelines meant to ease loan standards for borrowers.

According to a [report](#) in *The Wall Street Journal*, the two enterprises agreed in October to clarify when financial institutions would be penalized for making mistakes on mortgages sold to Fannie and Freddie.

According to [Housing Wire](#), the new standards "offer clarification on when lenders can be penalized for making mistakes in the mortgage they sell to the government-sponsored enterprises. Many lenders say the lack of clarity in requirements have made them tighten their own lending rules too much, making it harder for the average buyer to qualify for a home mortgage."

Faster turnaround time for loans can also be expected. *The Wall Street Journal* said that the time between a loan application and the granting of the loan is more than two months. The report cites several major lenders that have said initial changes as a result of the guidelines could be seen in a few weeks, and the turnaround time for a loan will be reduced.

The guidelines will also give greater leeway to consumers with one-time events that affect their credit scores, such as the loss of a job or medical debt. Other changes include a reduction in the required paperwork.

The Wall Street Journal cited several lenders that will incorporate the changes immediately, while others said they would not ease lending conditions due to threats of litigation and a shifting regulatory environment.

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Offer Your Young Members a Chance at a College Scholarship Through the YIB Scholarship Program!

Deadline to Sign-Up is January 30th, 2015!

HIGHTSTOWN, N.J. – It's that time of year again, the season that NJCUL's Youth Involvement Board (YIB) kicks off its credit union scholarship program, giving credit unions throughout the state an opportunity to participate in a statewide scholarship program.

The YIB will award eight (8) scholarships to credit union members seeking post-secondary education in the amount of \$1,000 each. Four scholarships will be awarded to students attending 4-year colleges or universities and four scholarships will be awarded to students attending technical schools or community colleges.

If you would like to take advantage of this great opportunity to help your young members, fill out the [Participation Agreement](#) and return it with a check for the appropriate amount to NJCUL by January 30, 2015. Please use the fee chart in the Participation Agreement to determine your credit union's investment.

NJCUL's YIB also has materials available for credit unions' use to promote the scholarship program. The YIB logo, a newsletter/Web site article, and a flyer/poster are available at www.njcul.org/yib-scholarship.aspx.

If you have any questions regarding the program, please contact Marissa Anema at manema@njcul.org or 800-792-8861 ext. 117.

Would you like to join the Youth Involvement Board? The Board is made up of credit union professionals as well as League staff members dedicated to reaching young credit union members. If you're interested in joining the board, please send an email to Marissa Anema at manema@njcul.org.



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Comptroller Curry Seeks Input on Regulators' EGRPRA Review

LOS ANGELES, Calif. – The elimination of unnecessary or outdated regulations can make life easier for small financial institutions, Comptroller of the Currency Thomas Curry told an audience this week.

Speaking at an interagency outreach meeting on the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA), Curry

Growth and Regulatory Paperwork Reduction Act (EGRPRA), Curry said that each rule that can be eliminated means these institutions will better be able to serve their customers.

"What worries me is the way that the regulatory rulebook builds up over time, adding layer after layer of requirements that can be quite onerous," he [said](#), adding that public comments from all stakeholders are welcome throughout the process.

The EGRPRA is intended to identify unnecessary, outdated or overly burdensome regulations. The Office of the Comptroller of the Currency (OCC), FDIC, Federal Reserve, and Federal Financial Institutions Examination Council (FFIEC) review their regulations annually.

The NCUA board is not required to participate but voluntarily does so. The agency says it is working with other regulators on an EGRPRA report that is likely to be delivered to Congress sometime in 2016.

CUNA filed a detailed [letter](#) and is developing a set of additional recommendations for NCUA and other agencies to achieve regulatory relief for credit unions.

Curry said that the OCC will not necessarily wait until the review process is complete before making changes.

"If it is clear that a regulation is unduly burdensome, and if we have authority to make changes to eliminate that burden, we will act," he said. "Many regulatory requirements are rooted in laws passed by Congress, though, and changes may require legislative action. In those cases, we will work with Congress to remove unnecessary burdens."

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

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

January 7th -- [Marketing Roundtable: What's Working for Today's CU Marketers?](#)

Industry Events

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

2015

January 13 -- [Tentative: South-Central Chapter Meeting](#)

January 14 -- [Reality Fair at Jackson Liberty High School](#)

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

June 4 -- [Reality Fair at Ewing High School](#)

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

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

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