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### Filene Headed to N.J. on January 5

NEW BRUNSWICK, N.J. – On January 5, Filene will be holding an Impact Road Show from 10:00 a.m. to 12:00 p.m. at Rutgers University's College Avenue Student Center in New Brunswick. Rutgers FCU is hosting the session.

An Impact Road Show is 90-minutes of stimulating conversation about CU programs that have the potential to enrich member experiences and build a culture of success for credit unions.

Filene will walk attendees through some of its latest programs and the research and innovation behind them. Attendees will leave with at least one idea that can make their credit unions stronger.

Participation in the Impact Road Show is free to all attendees. Click one of the following links to find out [more information](#) or to [register](#).

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### NCUA's Latest Economic Update Video Now Available

ALEXANDRIA, Va. – The consensus of economic forecasters is that the economy will continue to grow and labor markets will continue to improve in 2015. For federally insured credit unions, continued improvements in the economy and falling unemployment rates will likely bring continued solid loan growth, good loan quality and moderate increases in deposits.

“The improving economy has implications for monetary policy and interest rates,” NCUA Chief Economist John Worth said. “While nothing is certain, the improving economy is likely to bring changes to the interest rate environment in the coming year that could prove



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the interest rate environment in the coming year that could prove challenging to some credit unions.”

Interested in learning more about the 2015 economic outlook or examining third-quarter credit union performance? Be sure to check out NCUA's latest economic update video now available on the [League's homepage](#).

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## Southern Chapter Holding First Meeting of 2015 on January 28; Elections Will Be Held

SOMERS POINT, N.J. – The Southern Chapter of Credit Unions will hold its [first meeting](#) of the New Year on Wednesday, January 28, 2015 at the Crab Trap in Somers Point, NJ.

The chapter will be holding elections for chapter officials; if interested, please notify the Chapter President at the meeting. The chapter will also have Tom Quigley on hand to speak about the Foundation and Nicola Foggie to give a compliance update.

The cost to attend is determined by the menu choice: Filet mignon: \$36; Lobster tail: \$35; Chicken: \$23.

Cocktails begin at 6 p.m. with dinner being served at 6:30 p.m.

There are scholarships to assist in covering cost through Mid-Atlantic Corporate and Alloya Corporate. Please contact Janet Duffield at 856-696-2525, ext. 5385 for details.

The deadline to register is Thursday, January 22, 2015.

[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.nicul.org/chapters.aspx](http://www.nicul.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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## NCUA Sues Wells Fargo as Trustee of Mortgage-backed Securities

ALEXANDRIA, Va. – NCUA has filed a lawsuit in federal court against Wells Fargo Bank, NA alleging the bank has failed to fulfill its duties as trustee for 27 residential mortgage-backed securities trusts. The agency is suing in its capacity as liquidating agent for five failed corporate credit unions.

the Education, click [here](#).

### Upcoming Events:

**January 7, 2015**  
**Marketing Roundtable:**  
**What's Working for Today's**  
**CU Marketers?**  
**Location: NJCUL and via**  
**Video Conference**  
**10:00 am to 12:30 pm**  
[More Information Click Here](#)

**January 8, 2015**  
**Webinar: Apple Pay, the**  
**Mobile Payments Game**  
**Changer: Considerations &**  
**Action Steps**  
**3:00 pm to 4:30 pm**  
[More Information Click Here](#)

**January 12, 2015**  
**FREE CU Wallet Information**  
**Session**  
**Location: NJCUL and via**  
**Video Conference**  
**11:00 am to 1:00 pm**  
[More Information Click Here](#)

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"Like other trustees against whom NCUA is pursuing claims, Wells Fargo neglected its statutory and contractual obligations to certificate holders, including the five corporate credit unions," said NCUA Chair Debbie Matz. "This litigation is intended to hold Wells Fargo accountable for losses caused by that neglect."

NCUA's [complaint](#) states the value of the securities depended on the quality of the pooled mortgage loans the trusts contained, and the bank, as trustee, had contractual and statutory duties to protect the interests of certificate holders.

The complaint states that, despite knowing about defects in the mortgage loans, Wells Fargo failed to provide required notices to certificate holders and other parties. It also failed to take timely action to force the repurchase, substitution or cure of defective mortgage loans or otherwise preserve trust remedies.

"We are gratified the agency continues to take efforts to lessen losses to credit unions. We have been encouraging NCUA to take all reasonable actions necessary to maximize recoveries from the institutions that were responsible for the events that contributed to the corporate failures," said Eric Richard, CUNA general counsel. "Ultimately, we are hopeful that credit unions will share in the fruits of these efforts when the liquidations of the corporates is complete and all funds owing to the Treasury have been repaid."

Five corporate credit unions--U.S Central, WesCorp, Members United, Southwest and Constitution--purchased approximately \$2.4 billion in residential mortgage-backed securities issued from the trusts between 2004 and 2007.

Those securities were faulty and lost substantial value, contributing to the failure of all five corporates.

The NCUA's complaint seeks damages to be determined at trial.

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## NCUA Supervisory Letter Provides MSB Guidance

ALEXANDRIA, Va. – NCUA has sent a supervisory letter to federally insured credit unions that provides guidance on dealing with money services businesses (MSBs).

The letter is intended to provide field staff with guidance on evaluating credit unions that provide services to such businesses.

MSBs are defined by the U.S Treasury's Financial Crimes Enforcement Network (FinCEN) as: dealers in foreign exchange; check cashers; issuers and sellers of traveler's checks or money orders; providers of prepaid access; money transmitters; or sellers of prepaid access. The U.S. Postal Service is also considered an MSB.

"MSBs can provide necessary and valued services to a community, and a credit union may consider providing services to MSBs that operate within its field of membership," the letter reads. "However, like

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any third party, MSBs can expose credit unions to certain risks, and NCUA expects credit unions to consider, monitor and mitigate those risks."

According to the agency, the risk posed by an MSB depends on the nature and scope of the operation. An MSB can be a large international money transmitter or a small business that offers financial services as a complementary business component.

"In general, larger MSBs may present off-balance-sheet risks by generating significant transaction volumes that could overwhelm smaller credit unions. Credit unions with only a few million dollars of assets could end up processing billions of dollars' worth of money services transactions," the letter reads. "Some MSBs even raise heightened risks of money laundering for drug cartels and terrorist groups."

As part of their due diligence process, NCUA expects credit unions to:

- Perform the required customer identification program procedures;
- Confirm that member MSBs register with FinCEN;
- Confirm that member MSBs comply with state or local licensing requirements;
- Confirm the member MSBs' agent status; and
- Conduct a Bank Secrecy Act/Anti-Money Laundering risk assessment to document the level of risk associated with the account and whether greater due diligence is necessary.

"To ensure compliance with the BSA regulations, credit unions are expected to assess the risks posed by each individual MSB account on a case-by-case basis, monitor and report any unusual activities and implement appropriate controls to manage any risk exposure," the letter reads.

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## Signature Debit Highest Cause of FI Fraud Losses, According to Minn. Fed Survey

MINNEAPOLIS – The amount of payments fraud and the losses incurred continue to concern financial institutions and non-financial firms alike, according to the recently released 2014 Payments Fraud Survey from the Federal Reserve Bank of Minneapolis.

Of the top three payment types, signature debit was the top when it came to fraud attempts, with 87% of financial services firms ranking it as the most common target of fraud attempts. Checks and PIN debit were significantly lower at 57% and 54% respectively.

The biennial survey tracks fraud trends for payment types such as checks, cash, debit and credit cards, automated clearinghouse transactions and wire transfers.

Financial services firms also identified signature debit as having the

highest loss rate in value and volume compared with other payments. Signature debit had the highest loss rate based on volume at 67%, and at 78% it had the highest loss rate based on value of the fraudulent transaction.

Seventy percent of financial services respondents experienced fraud losses in 2013, while only a quarter of non-financial companies reported losses.

Non-financial companies cite checks as the highest contributor to payments fraud losses.



**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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## Nominations Open for FinCEN's BSA Advisory Group

WASHINGTON – Nominations for financial institutions and trade groups for membership in the U.S. Treasury's Financial Crimes Enforcement Network's (FinCEN) Bank Secrecy Act (BSA) advisory group are now being accepted.

Advisory group membership is open to financial institutions and trade groups. New member organizations will be selected to serve a three-year term and must designate one individual to represent it at meetings. CUNA is currently a member with a term that extends into early 2015.

"The designated representative should be knowledgeable about Bank Secrecy Act requirements and must be able and willing to make the necessary time commitment to participate on subcommittees throughout the year by phone and attend biannual plenary meetings held in Washington, D.C., the second Wednesday of May and October," the notice reads.

Nominations are due within 30 days of the notice being published in the *Federal Register*, which is expected shortly.

According to the solicitation of membership, the group is the means by which the Treasury receives advice on the operations of the Bank Secrecy Act. FinCEN Director Jennifer Shasky Calvery is the chair.

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## Des Moines, Seattle FHLB Merger

Approved by FHEA

## Approved by FHFA

DES MOINES, Iowa – A voluntary merger of the Des Moines and Seattle Federal Home Loan Banks (FHLBs) has been approved by the Federal Housing Finance Agency (FHFA). The merger was first announced in September, and the two institutions submitted their merger application Oct. 31.

The FHFA's approval triggers the next step in the process, which is ratification of the merger agreement by the members of the Des Moines and Seattle cooperatives. Members of both institutions must separately ratify the merger agreement by majority vote in the manner prescribed by the FHFA merger rules.

According to a joint release from the two institutions, the members of the combined cooperative would "have access to an enhanced suite of products and services and benefit from increased economies of scale and greater risk diversification. The combined institution would remain a member-owned and member-centric cooperative, deeply focused on helping its members better serve their customers and communities."

FHLB program membership includes more than 7,300 financial institutions, including credit unions, commercial banks, thrifts, insurance companies and community development financial institutions from every U.S. state and territory.

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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:

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

January 12 -- [Free CU Wallet Information Session](#)

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

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

January 28 -- [Southern Chapter Meeting: Elections to Be Held](#)

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

April 13-15 -- [2015 CU Reality Check at the Golden Nugget Atlantic City](#)

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

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

June 10 -- [Reality Fair at Ewing High School](#)

July 20 -- Garden Savings FCU's 5th Annual Golf Outing at Fiddler's

July 20 -- Garden Savings FCU's 31st Annual Golf Outing at Fiddler's Elbow Country Club

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

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

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