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To: staff@njcul.org
Conversation: The Daily Exchange -- December 30, 2014

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Latest Issue of The Exchange Available

The [December 2014 edition](#) of NJCUL's monthly publication, *The Exchange*, is now available for download. Read our feature story on *Credit Union Magazine* Rockstar Michael Mahiya, get to know our credit union friends on Capitol Hill, familiarize yourself with the League's new approach to education, and more!



To access the December 2014 issue of *The Exchange*, visit:

<http://www.njcul.org/SharedFiles/Download.aspx?pageid=365&mid=529&fileid=2069>.

Have a Happy New Year!

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NCUA Inspector General Announces NCUA Breach Investigation

ALEXANDRIA, Va. – NCUA Inspector General James Hagen announced yesterday that he would investigate the agency's mishandling of sensitive member data. An external flash drive was lost earlier this year during an exam at the \$13 million Palm Springs FCU.

Hagen's investigation will go beyond an audit to determine if NCUA



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As you're building your wish list on Amazon and planning gifts for loved ones in anticipation of the holiday season, remember to shop through [AmazonSmile](#) in support of the New Jersey Credit Union Foundation!

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

It's a simple and automatic way to support the Foundation every time you shop, at no cost to you. To shop at AmazonSmile to benefit the Foundation, click [here](#)

Hagen's investigation will go beyond an audit to determine if FCU had adequate controls in place to protect the information. He also said he would review the agency's decision to keep the incident from the public and investigate an NCUA leak regarding the breach. Two alleged NCUA sources disclosed internal information regarding the breach, Hagen said.

The actions will begin in January, Hagen said in a formal statement.

"NCUA's Inspector General will proceed in a thorough and deliberative manner in all these activities, and there is no set deadline for their completion," the release said.



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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Filene Headed to New Jersey 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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Jersey Shore FCU Gives Back This Holiday Season

NORTHFIELD, N.J. – Jersey Shore Federal Credit Union celebrated this year's holiday season by giving back to its local community.

First, the credit union's members and employees of the Rio Grande branch provided more than 40 gifts for less fortunate children in the Cape May County Community. Gifts were left under the Starfish Angel Tree.

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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](#)

Contact Us:

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Driving directions

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The gifts were given to the children during Hamer's School of Karate's 18th annual Christmas party by Santa and his helpers. The children also enjoyed dance contests, food, music and lots of cheer.



Two young credit union members pose with their six-foot long stocking filled with toys provided by the credit union.

For its second act of giving, Jersey Shore FCU presented six, six-foot stockings filled with holiday toys to children during an exclusive visit and photo session with Santa Claus.

And for its final act of giving *this* holiday season, the credit union provided, with the helps of its staff and members, over 300 gifts for children staying at the Atlantic City Rescue Mission.



CEO Virginia Williams (left) and Regional Manager Bruce Matus with a van full of presents for needy children.

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Credit Union CEO Virginia Williams stated “The credit union’s membership generously gave hundreds of dollars’ worth of presents to homeless children so they could have a Merrier Christmas”. Credit Union Board Member and Social Action Chair Jack Hickey added “The credit union is the vehicle than makes the members’ contributions carry the impact of compassion and we sincerely thank our members for their support and kindness.”

Thanks to the credit union’s generosity, many families celebrated a little happier this holiday season!

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NJCUL Offices Closed Wednesday and Thursday

HIGHTSTOWN, N.J.

– The New Jersey Credit Union League offices will be closed on Wednesday, December 31 and Thursday, January 1 in celebration of the New Year’s holiday.



There will be no Daily Exchange on those days, but look for the newest communication piece from NJCUL with the first issue of the Friday Recap Edition of The Daily Exchange on January 2.

All of us at NJCUL wish you a happy, healthy and safe New Year!

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Curious About Mobile Wallets and How They Can Benefit Your Membership?

**CU Wallet Information Session
Monday, January 12, 2015
11 a.m. to 1 p.m.
No Charge**

The New Jersey Credit Union League is hosting a free educational session on CU Wallet and the future of electronic payments. Join us Monday, January 12, 2015 for a discussion led by Paul Fiore, co-founder of Digital Insight, along with a networking lunch.

In a few short years, mobile payments have evolved from a novelty to a game-changing member interface. Most recently, Apple Pay entered the forum that was once controlled by Google Wallet, FreedomPay, Loop, and others. But there is more to the experience than just enabling members to make a payment.

Have you considered a solution that can:

- create a new revenue stream and help your bottom line?
- reduce the potential for in-person fraud?
- make your card be "top of wallet"?

This presentation is offered at NO CHARGE for member and associate member credit unions and will detail CU Wallet's services and how they can enhance your members' satisfaction. CU Wallet has a variety of unique features that can increase your revenue, reduce in-person fraud and make your card "top of wallet".

The session will take place from 11 a.m. to 1 p.m. "live" at the League and via video conference at Atlantic FCU and Members 1st of NJ FCU.

To register, send an email to Mary Zelinsky at mzelinsky@njcul.org with the names of attendees from your credit union.

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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The 113th Congress in Review, Looking Forward to the New Congress

WASHINGTON -- Through what may go down in the history as the most inefficient Congress to date, CUNA, the state leagues and credit unions advanced a legislative agenda aimed at preserving the credit union tax status and removing barriers that keep credit unions from more fully serving their members.

Credit Union Tax Status Preserved

In the 113th Congress, both the House of Representatives and the Senate were actively engaged in a comprehensive tax reform process that began with the premise that everything was on the table. Despite the strong support in Congress for the credit union tax status, the approach pursued by the tax writing committees placed the tax exemption under its greatest threat since 1986.

Through the "Don't Tax My Credit Union Campaign," the credit union system went to considerable lengths in 2013 to make the case that the tax status should be preserved. The product of those efforts was the retention of the exemption in the first draft of comprehensive tax reform released by House Ways and Means Committee chairman in February 2014, and memorialized with the introduction of H.R. 1 in the closing days of the Congress.

While some have argued that the final bill is not the most favorable

While tax reform did not cross the finish line this year, the favorable treatment the credit union tax status received in the initial draft represents a very significant victory, and should position the credit union system well when Congress resumes the tax reform debate next year. Comprehensive tax reform is a priority for the incoming House Ways and Means and Senate Finance committee chairs.

Removing Barriers

At the beginning of the 113th Congress, CUNA submitted more than thirty regulatory relief proposals to the House Financial Services Committee and the Senate Banking Committee. These proposals ranged from increasing the member business lending cap to exercising enhanced oversight over the CFPB. Progress was made on several initiatives aimed at reducing credit unions' regulatory burden and removing barriers that keep credit unions from more fully serving their members.

The Credit Union Share Insurance Fund Parity Act, which extends share insurance coverage to lawyer trust accounts (IOLTA) and other similar trust accounts, was passed by the Congress signed into law by President Obama. While this may appear to be a small victory, in an environment in which fewer than 2% of bills introduced in Congress are enacted into law getting this measure through was significant. When it passed the House Financial Services Committee in November 2013, the IOLTA bill was the first piece of stand-alone regulatory relief legislation for credit unions to move through the Committee since 1998. To be clear, there have been other credit union measures enacted in recent years – the ATM placard bill, the CARD Act Fix, the corporate stabilization legislation – but this was the first bill to be taken through the Committee that affected only credit unions. It is a small but significant step in the right direction.

In the 113th Congress, the groundwork was laid for reforming Regulation D. The House passed legislation in the closing days of the Congress to order a GAO report on how the Federal Reserve has used Regulation D, the cap on automatic transfers between savings and checking accounts, to influence monetary policy. Work to secure such a report will continue in the new Congress.

As part of the comprehensive campaign to improve NCUA's flawed risk-based capital proposal CUNA, state leagues and credit unions worked together to get more than 370 Members of Congress to weigh in with the agency, expressing concerns about and recommending improvements to the rule. This effort included an all-but-unheard of Congressional sign-on letter that earned the support of 324 members of the House – a full 75% of the total membership. This letter, combined with the individual and group letters that CUNA organized with support from the leagues and credit unions, was a key contributing factor in the agency's decision to reissue a revised proposal for comment and indicate the revised proposal would include many improvements sought by the credit union system and Congress. This effort also provided the opportunity to discuss the importance of supplemental capital for credit unions, and to advocate for the passage of supplemental capital legislation (H.R. 719).

Reform of the housing finance system remains a top priority in Congress as the economy continues to recover from the financial crisis. CUNA and the credit union system remained very actively engaged in discussions on both sides of Capitol Hill. CUNA testified

three times on housing finance reform proposals and contributed several dozen pages of legislative language to the Senate Banking Committee, much of which was included in the bill that passed the Committee in April. Congress is expected to continue consideration of housing finance reform next year, and efforts on the matter so far have positioned the industry well to influence the outcome.

CUNA and the credit union system have also been on the leading edge of efforts to stop merchant data breaches. CUNA was the first to call for hearings on the Target Data Breach and worked closely throughout the year with partners in the financial services sector to address this issue in Congress. CUNA's "Stop the Data Breaches" campaign helped ensure that the issue remained in the forefront of Congress's attention. Meetings with banking industry associations and other potential coalition members to develop a coordinated strategy for the new Congress are already underway.

Looking Forward to the 114th Congress

The 114th Congress will convene in early January. For the first time since 2006, Republicans will have majorities in both chambers. CUNA and the state leagues will continue working with all in Congress who are interested in removing barriers for credit unions to serve their members, and it's believed the new Congress will present even more opportunities to make meaningful progress to that end. A lot of work has already been done to prepare for next year. The meetings that CUNA and state leagues have had with new Members of Congress have afforded a head start and the relationships developed over the years with returning Members of Congress will serve the credit union system well as works to advance the removing barriers agenda next year.

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New NCUA Video Examines FOM Types, Expansion, Conversion

ALEXANDRIA, Va. – A new NCUA [video](#) examines field-of-membership (FOM) specifics.

Titled "Strive to Thrive and Serve: Prospering in the 21st Century Field of Membership," the video provides an overview of FOM types available to federal credit unions and identifies expansion and conversion opportunities available for each.

"A strong membership base is ultimately the cornerstone of a credit union's success," NCUA Chair Debbie Matz said. "I encourage credit unions to take full advantage of the resources we have made available to help them increase membership penetration and growth. A growing membership base often leads to loan, share and net worth growth."

The [video](#) examines the ins and outs of single common bond, multiple common bond and community charters, as well as how to assess whether or not a change in FOM should be part of a credit union's strategic plan.

The [video](#) is the latest in the NCUA's consumer report series, which was developed by the agency's Office of Consumer Protection.

Higher-priced Mortgages, 2015 Threshold Announced

WASHINGTON – The 2015 adjustment of the dollar amount used to determine whether a small loan is exempt from special appraisal requirements that apply to higher-priced mortgage loans has been announced by the Federal Reserve board. The exemption threshold will be \$25,500, effective Jan. 1.

The adjustment is based on the annual percentage increase in the Consumer Price Index for urban wage earners and clerical workers as of June 1.

The Dodd-Frank Act amended the Truth in Lending Act in 2010 to require creditors to obtain a written appraisal based on a physical visit of the home's interior before making a higher-priced mortgage loan.

Federal regulators issued rules implementing this requirement in January 2014, which contained an exemption for loans of \$25,000 or less. The rules also required the exemption threshold be adjusted annually based on the annual percentage change reflected in the Consumer Price Index

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 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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