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Conversation: The Daily Exchange -- January 13, 2015

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January 13th, 2015

Today's News:

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- › CFPB Report Finds Nearly Half of Borrowers Do Not Shop Around for a Mortgage
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- › CUNA, Trades Urge Bill Passage to Modernize Federal Rulemaking
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President Announces Data Breach Notification Legislation

WASHINGTON – A proposal that would provide a national notification standard for companies affected by data breaches was unveiled by President Barack Obama in a speech yesterday at the Federal Trade Commission. The speech also included [other proposals](#) to protect consumer data.

"CUNA welcomes President Obama's engagement in the critical issue of data-breaches," said CUNA President/CEO Jim Nussle. "We hope that any legislation that is enacted requires merchants to follow the same type of data security standards that credit unions and other financial institutions must follow, enables consumers to be notified in a timely manner and ensures that credit unions are reimbursed for costs they incur as a result of merchant data breaches—all issues CUNA has been voicing to Congress."

One piece of legislation proposed by the president is the Personal Data Notification and Protection Act. The proposal would clarify and strengthen obligations companies have to notify customers when their personal information has been exposed, including establishing a 30-day notification requirement from the discovery of a breach. It would also create a single, national standard for notification.

Currently, states have a number of different laws (and proposed laws) that require companies that are victims of data-breaches to notify their customers. Some require notifications to be made within a specific number of days of discovery of a breach, and others simply use terms like "as expeditiously as possible." Obama's proposal aims to create a national law with more concrete language.

President Obama also proposed additions to the Consumer Privacy Bill of Rights. The administration released the [bill of rights](#) in 2012.

Executive Leadership Series

Brought to you by the New Jersey Credit Union League 

First ELS Session of the New Year Set for March 3rd

New innovations in technology, shifting customer expectations, cyber security threats, and economic pressures have dramatically changed financial institutions.

Join us for the first Executive Leadership Series (ELS) [session](#) of the New Year on March 3rd at the League office where you'll hear from Joel Abramson on how to reduce costs while investing in innovation to better serve the modern member. Register [here](#).

Upcoming Events:

January 20, 2015
VirtualCorps Webinar: How to Avoid Department of Labor/ERISA Audit Fines
3:00 pm to 4:00 pm
[More Information Click Here](#)

January 21, 2015
Webinar: Advanced

and the U.S. Department of Commerce will release shortly the results of public consultation on potential draft legislation.

According to the White House, it will release a revised legislative proposal regarding the Consumer Privacy Bill of Rights within 45 days.

For these proposals to move forward, a bill would have to be drafted by a federal lawmaker and introduced in Congress.

Other CUNA priorities in the field of data security include:

- Congress should hold merchants to the same security standards credit unions are faced with under the Gramm-Leach-Bliley Act;
- State laws should be pre-empted in favor of strong Federal data security requirements;
- Those responsible for a data-breach should repay banks and credit unions in a timely and equitable manner; and
- Merchants should work with financial institutions to ensure that consumer data is adequately protected.

These issues were not addressed in the president's legislative proposal.

The nationwide [Stop the Data Breaches](#) call to action continues and the NJCUL also continues its support for the data-breach legislation ([A-1239; S-965](#)) pending in Trenton.

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Registration Open for our 27th Annual Golf Tournament on April 28th!

Credit Union Golfer and Sponsorship Registration Available on the NJCUL Site

MONROE TOWNSHIP, N.J. – Register today for the NJ CU League's 27th Annual Golf Tournament on April 28th!

Once again, the tournament will be held at the beautiful Forsgate Country Club in Monroe Township on both the Banks and Palmer courses. The day will consist of a continental breakfast, a 10 a.m. shot gun start, lunch at the turn, and a cocktail hour/awards ceremony at 3 p.m.

Registration is on a first-come, first-served basis, so sign up today! Credit union golfer registration materials are available [here](#).

There are many sponsorship options for vendors to choose from to support the NJCUL's golf tournament and gain exposure among credit union professionals. Each sponsorship option gives you customized signage at the sponsored hole. You can also send in items to be included in "goodie bags" that will be given to each player.

Endorsements: POAs,
Businesses, Trusts & More
3:00 pm to 4:30 pm
[More Information Click Here](#)

January 28, 2015
Southern Chapter Meeting:
Elections to Be Held
Location: Crab Trap,
Somers Point, NJ
6:00 pm to 8:30 pm
[More Information Click Here](#)

Contact Us:

Address

299 Ward Street
Hightstown, NJ 08520
Driving directions

Phone

800.792.8861
609.448.2426

Fax

609.448.3499

E-mail

info@njcul.org

Connect with Us:



Sponsor registration materials are available [here](#).

If you have any questions, please contact Yvette Segarra
at ysegarra@njcul.org or 800-792-8861 ext. 103.



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CFPB Report Finds Nearly Half of Borrowers Do Not Shop Around for a Mortgage

Releases "Owning a Home" Toolkit to Help Consumers Shopping for a Mortgage

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) released a report finding that almost half of consumers do not shop around for a mortgage when purchasing a home. The report also found that informed consumers are more likely to shop, especially if they are familiar with available mortgage rates. As part of its Know Before You Owe mortgage initiative, the CFPB is releasing "Owning a Home," an interactive, online toolkit designed to help consumers as they shop for a mortgage. The suite of tools gives consumers the information and confidence they need to get the best deal.

"Our study found that many consumers are not shopping for a mortgage. Consumers put great thought into the choice of a home, but the mortgage process continues to be intimidating," said CFPB Director Richard Cordray. "The Know Before You Owe Owning a Home toolkit makes it easy to see how shopping for a mortgage can translate into big dollars saved in the long run. We want to enable consumers to be more savvy shoppers."

The report can be found [here](#).

the Bureau is releasing Owning a Home, a suite of tools to inform and empower consumers shopping for a mortgage. It takes the consumer from the very start of the home-buying process, with a guide to loan options, terminology, and costs, through to the closing table with a closing checklist.

One key feature of Owning a Home is the Rate Checker tool. In its beta release, this tool helps consumers understand what interest rates may be available to them by using the same underwriting variables

that lenders use on their internal rate sheets. These are the documents lenders use to calculate what interest rate is available for a particular combination of loan type, property value, loan amount, and credit score. The data behind the Rate Checker is updated daily and includes information from large banks, regional banks, and credit unions and covers about 80 percent of the mortgage market.

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Promote the TurboTax Program to Your Members

The TurboTax program is in full swing. Marketing the program early to your members will allow them to take full advantage of the great



savings on TurboTax federal products. 70 percent of online tax filers file their returns between January 15 and February 5, don't let your members miss out on the great

TurboTax discounts, start marketing now.

The Love My Credit Union Rewards program provides FREE marketing materials to all credit unions to assist you in communicating the TurboTax discounts to your members. The marketing materials are available in the [Partner Center](#) at LoveMyCreditUnion.org.

Below are some helpful tips on the most effective ways to market the TurboTax program to your members and fulfill your marketing requirements:

1. Post TurboTax Web banners on your Web site home page and online banking pages.

Free standard-size banners are available in the Partner Center of LoveMyCreditUnion.org.

2. Send dedicated emails to members the week of January 22nd and the week of February 5th.

Free HTML email templates are available in the Partner Center for you to send to your members. CU Solutions Group also provides FREE services to credit unions to assist you in sending emails to your members. Click [here](#) to request our help in sending emails.

3. Include newsletter articles in electronic and printed member communications.

Newsletter messaging is also available in the Partner Center. There are short messages and long messages available to promote the program to your members.

4. In-branch posters and take-ones.

8 1/2" x 11" posters in acrylic stands are available to all credit unions to post in your branches, along with take one flyers for your members. Click here to request your lobby materials today.

Additional marketing materials available for the TurboTax program include:

- Statement inserts and e-statement inserts

Statement inserts and statement checks

- Social media messaging
- Mobile app banners

Not enrolled in the TurboTax program? It's not too late! [Click here to enroll online today and find out more about the benefits of the program.](#)

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CUNA, Trades Urge Bill Passage to Modernize Federal Rulemaking

WASHINGTON – CUNA, along with several other trade organizations, sent a letter to the House urging passage of the Regulatory Accountability Act of 2015 (H.R. 185).

The bill would modernize the Administrative Procedure Act, which governs how federal agencies such as the NCUA and the CFPB create regulations.

"Our members believe that regulations need to be narrowly tailored, supported by strong and credible data and evidence and impose the lowest possible burden while still implementing Congressional intent," the letter reads. "When agencies produce regulations that do not reflect these ideals, better mechanisms to hold them accountable are needed."

The legislation would:

- Increase public participation in shaping the most costly regulations before they are proposed;
- Require that agencies choose the least costly option, unless it can be demonstrated that public health, safety or welfare requires a more costly requirement;
- Give interested parties the opportunity to hold agencies accountable for their compliance with the Information Quality Act;
- Provide for on-the-record administrative hearings for the most costly regulations to ensure all agency data is tested and reviewed;
- Restrict agencies' use of interim final regulations where no comments are taken before a regulation takes effect and provides for expedited judicial review of whether that approach is justified; and
- Provide for a more rigorous test in legal challenges for those regulations that would have the most impact.

"The Regulatory Accountability Act of 2015 builds on established principles of fair regulatory process and review that have been embodied in bipartisan executive orders dating to at least the Clinton Administration," the letter reads. "These principles would make the regulatory process more transparent, agencies more accountable and regulations more cost-effective."

The letter goes on to say that the bill would not affect the vast majority of new regulations that aren't considered high-impact.

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CFOs: Discuss Managing Operating Costs and Other Strategies

**CFO Roundtable:
Managing Operating Costs and More!
February 10, 2015
10:00 a.m. to 12:30 p.m.**

HIGHTSTOWN, N.J. – CFOs and financial professionals, join your peer for a roundtable discussion of how to manage operating costs and how to best allot funds for investments necessary for future growth such as investments in technology or other products, services or processes.

The CFO Roundtable taking place Tuesday, February 10, is designed to bring like-minded professionals together to use the collaborative spirit of this industry to share best practices, resources and guidance.



This meeting will also include a discussion of relevant educational needs and opportunities for this professional group.

The session will take place from 10:00 a.m. to 12:30 p.m. and will include lunch. Join us “live” at the league office or via conferencing at Atlantic FCU in Kenilworth or Members 1st of NJ FCU in Vineland. The cost to attend is \$25.

There is also a 50% discount for credit unions below \$10 million in assets. Contact Mary Zelinsky at mzelinsky@njcul.org or 800-792-8861 ext. 100 for more information.

To register and pay by check, send an email to Mary Zelinsky at mzelinsky@njcul.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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FHLB Membership Proposal Adamantly Opposed by CUNA

WASHINGTON – CUNA has urged the withdrawal of the Federal Housing Finance Agency's (FHFA) proposal dealing with membership to the Federal Home Loan Bank (FHLB) program.

In a comment letter filed Monday, CUNA says it is "adamantly opposed" to the proposal, which the trade group says would ratchet up the FHLB program's membership requirements and make it more difficult for credit unions to belong.

CUNA maintains the FHLB system can serve as an important source for credit union liquidity.

"We do not believe the proposed changes are warranted or required to meet statutory requirements. Moreover, we do not believe the agency has provided sufficient analysis as to why the proposed membership requirements are needed," reads the letter, signed by CUNA Deputy General Counsel Mary Dunn. "Most important, we are concerned the proposal would require FHLB-member credit unions to make business decisions that may not be in their members' overall best interests."

Specifically, the proposal would require all FHLB member financial institutions to hold 1% of assets in home mortgage loans on an ongoing basis, and suggests that this requirement might be raised as high as 5% in the future. Currently, FHLB members must meet the 1% threshold when applying for membership, but do not need to maintain it.

All member credit unions, but only certain member banks, would be required to hold 10% of assets in residential mortgage loans on an ongoing basis.

According to CUNA, the proposal is unnecessary, since the FHFA's data shows that approximately 98% of FHLB members already comply with the 10% requirement, and half of the remaining institutions hold more than 9% of assets in mortgages.

"If the proposal is adopted, rather than allowing a commitment to housing to develop organically in the normal course of business, the proposal would require credit unions to constantly monitor their mortgage loan levels and face the loss of FHLB membership if they fail to maintain lending levels that are not required by law," the letter reads.

CUNA is also concerned that the proposal would require credit unions to needlessly alter their business practices, due to the increased compliance burden needed to continually monitor assets.

"The on-going asset tracking that would result under the proposal would also add regulatory burdens for the Federal Home Loan Banks. Under the proposal, each FHLB would be responsible for ensuring that its members are in compliance with these arbitrary asset thresholds," the letter reads. "The compliance costs of each FHLB would undoubtedly be passed along to the financial institutions that borrow from the System. The end result will be higher costs of credit for consumers. Given the still fragile state of the American housing

sector, now is not the time to impose further (and unnecessary) hurdles and higher costs on mortgage and housing related lending."

Should the proposal not be withdrawn, CUNA has urged the FHFA to provide parity for credit unions, by treating both types of entities equally for purposes of maintaining membership.

The NJCUL also filed a comment letter.

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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

January 20 -- [VirtualCorps Webinar: How to Avoid Department of Labor/ERISA Audit Fines](#)

February 10 -- [CFO Roundtable: Managing Operating Costs and More!](#)

February 11 -- [NJ DNA Dinner Meeting](#)

March 3 -- [Executive Leadership Series Session: Six Essentials for Keeping Your Financial Institution Relevant](#)

Industry Events

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 24th Annual Meeting & Convention

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

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