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From: New Jersey Credit Union League <news@njcul.org>
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To: staff@njcul.org
Conversation: The Daily Exchange -- January 20, 2015

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- January 20th, 2015
- Today's News:
- › Latest League Membership@Work Update Available to Member CUs
- › Your Marketing Co. Latest Endorsed Provider of New Jersey Credit Union League
- › CU RBC2 Engagement, Analysis Key in Coming Weeks, According to CUNA CEO
- › FOX News: DOJ Accused of Blocking Businesses from Banking
- › Still Time to Sign Up for CUNA RBC2 Webinar with NCUA's Fazio
- › With Tax Season Upon Us, Get a Handle on ACH Tax Refunds
- › 'Fresh Look' at FOM Updates Needed, Matz Highlights
- › Bob Lutz, Former Vice-Chairman of General Motors, Will Present at CU Director's DRIVE 2015

Latest League Membership@Work Update Available to Member CUs

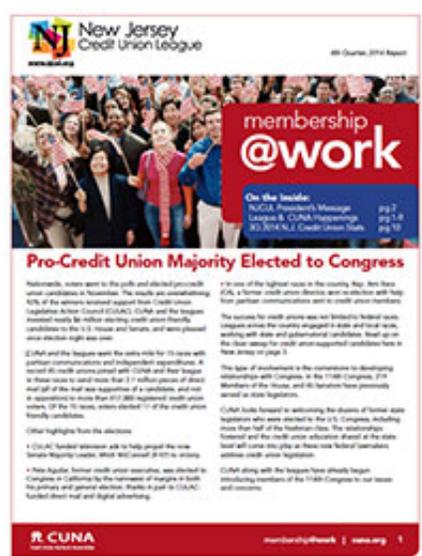
4Q 2014 League/CUNA Update with 3Q 2014 NJ CU Stats

The 4th Quarter 2014 New Jersey Credit Union League and CUNA [Membership@Work Update](#) is now available to member credit unions.

The joint update includes an overview of League and CUNA happenings, a message from NJCUL President/CEO Greg Michlig, and New Jersey credit union statistics compiled by CUNA for 3rd quarter 2014.

Visit www.njcul.org/njcul-quarterly-updates.aspx to download the report.

This aspect of the NJCUL Web site is limited to members only and is password protected. If you do not have an account for the site, visit www.njcul.org/Secure/Register.aspx to request a login.



[\[BACK TO TOP \]](#)

DIRECTS DRIVE 2015
Conference

› 9 CUs Among Plaintiffs in
Home Depot Data Breach
Suit

› 2015-16 Annual
Performance Plan Gets
NCUA OK

› Credit Unions, Mark Your
Calendars

The logo for the Executive Leadership Series features the words "Executive Leadership Series" in a serif font. The word "Executive" is in a smaller size above "Leadership", which is above "Series". The text is overlaid on a graphic of three overlapping circles in shades of purple and blue.

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](#).

Your Marketing Co. Latest Endorsed Provider of New Jersey Credit Union League

HIGHTSTOWN, N.J. and ROEBUCK, S.C. – Your Marketing Co., a full-service marketing, business development and product development firm based in South Carolina, is the latest endorsed provider to partner with the New Jersey Credit Union League and the first in 2015.

"We're honored to have the opportunity to work with an organization known for a commitment to excellence for the credit unions of New Jersey. If we can make a positive impact at just one credit union that enriches the lives of its members through our work we'll call this partnership a success," said YMC CEO and Founder Bo McDonald.

"Marketing is a crucial area for credit unions and an area that the League has lacked a partner in for some time. After reviewing several different companies and learning about Your Marketing Co.'s vision and approach, we felt they were a natural fit," said Candice Nigro, vice president marketing, communications & business development for the League.

Your Marketing Co. develops and maintains strong relationships with its clients and uses that foundation to generate new ideas that foster outstanding results. Campaigns are developed for individual credit unions based on strategic goals and needs.

"Through our due diligence process, I had the pleasure of speaking with some of YMC's clients," said Nigro. "To hear a CFO say that the credit union's marketing firm was an invaluable part of their team really helped solidify how different YMC's approach must be."

To help credit unions understand YMC's business model, meet their CEO and Founder Bo McDonald and Vice President of Marketing Molly Jackson, and hear about some of the great campaigns YMC has developed for credit unions, the League is holding an information session on February 24 from 11 a.m. to 1 p.m.

The session is free to attend and will include lunch. Please register through the League's education department by emailing Mary Zelinsky at mzelinsky@njcul.org.

If you have any questions, please contact Candice Nigro at cnigro@njcul.org or 609-448-2426 ext. 110.

The logo for Your Marketing Co. features the words "your marketing co." in a lowercase, sans-serif font. The word "your" is in a smaller size above "marketing", which is above "co.". The text is overlaid on a graphic of a large, thin orange arc above the words. To the right of "co." is a solid orange circle. Below the logo is the tagline "Great Ideas for Your Credit Union!" in a bold, orange, sans-serif font.

[[BACK TO TOP](#)]

Upcoming Events:

January 27, 2015

Webinar: Dealing with ACH Tax Refunds: Exceptions, Posting & Credit Union Responsibilities

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](#)

February 3, 2015

VirtualCorps Webinar: Why a Payday Alternative Loan May Be Helpful to Many of Your Members

3:00 pm to 4:00 pm

[More Information Click Here](#)

Contact Us:

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CU RBC2 Engagement, Analysis Key in Coming Weeks, According to CUNA CEO

WASHINGTON – With the release of NCUA's revised risk-based capital proposal (RBC2) credit unions should be prepared to analyze the proposal and engage in the regulatory process, says CUNA President/CEO Jim Nussle. Nussle has sent a letter to members of the U.S. Senate and House Friday with information about the proposal, as well as CUNA's stance on the revised plan.

"We need to continue our engagement and continue taking a very careful look at what's in the rule. We want to know how the different parts of the proposal will impact the entire credit union community," Nussle said. "The devil is very clearly in the details, and those details are things credit union stakeholders will understand much more acutely as those involved in the day-to-day operations of your institutions. So we need to hear how it impacts you."

NCUA Chair Debbie Matz, Vice Chair Rick Metsger, and board member J. Mark McWatters all cited the 2,056 comment letters received on the initial proposal as a major impetus behind many of the changes. In addition, a major part of the agency's 500-page RBC2 plan takes up many CUNA concerns and comments.

Also, CUNA will be posting an RBC estimator tool online this week, which will help individual credit unions get a glimpse at how the proposal would directly affect them.

"With reductions in many of the risk weights, and reducing to 10% the well-capitalized requirement, much of the damage of the original proposal appears to have been alleviated, but we're double checking all the calculations," said Bill Hampel, CUNA chief policy officer. "In addition, although interest-rate risk and individual minimum capital requirements are not in RBC2, we are concerned about how the agency might replace them in other new rules."

More information will continue to be available in the future at CUNA's [Risk-Based Capital Action Center](#) and its Risk-Based Capital [blog](#).

CUNA's regulatory advocacy staff will also release its analysis this week of the RBC2 proposal and other items covered at NCUA's Jan. 15 board meeting this week.

[\[BACK TO TOP \]](#)

FOX News: DOJ Accused of Blocking Businesses from Banking

According to a [recent article](#) by FOX News, the Department of Justice (DOJ) is being accused of blocking legal gun shops and other businesses from banking.

The article cites the story of Mike Schuetz, a small gun shop operator in northern Wisconsin called Hawkins Guns. In November, just before one of his peak selling times, his local credit union notified him his account needed to be closed.

"The bank manager said they made a mistake. and they were not

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supposed to open accounts for those people involved in high-risk industries, which the gun industry and ammunition industry is one of those," Schuetz said.

It turned out there was a list created by a Justice Department program called Operation Choke Point. The list equates legal gun sellers like Schuetz with escort services, Ponzi schemes, people who sell cable TV de-scramblers—and at least 30 other industries, according to FOX News.

Operation Choke Point was introduced in 2013 as a DOJ initiative, allowing its Financial Fraud Task Force to investigate whether financial institutions and payment processing companies were enabling fraudulent activity. It came under fire after businesses and others claimed the initiative was separating consumers from access to financial services.

The program, which is facing tough questions in Congress, intimidates banks with the threat of heightened scrutiny and increased audits if accounts are maintained in those industries, according to FOX News.

Rep. Sean Duffy, R-Wis., said Operation Choke Point began as a means of combating fraudulent businesses—but evolved into an arbitrary list of businesses targeted by bureaucrats in the DOJ and banking regulators purely on moral grounds, backed by no legislation

"What they've done is they put short-term lenders out of business, gun dealers out of business, ammunition manufacturers out of business. Because in America, if you can't bank, you can't do business," Duffy said.

[\[BACK TO TOP \]](#)

Still Time to Sign Up for CUNA RBC2 Webinar with NCUA's Fazio

WASHINGTON – CUNA staff continues to pour through the 500-plus page revised risk-based capital (RBC) proposal issued by NCUA Thursday, and will detail their findings in the Webinar scheduled for Jan. 26.

Larry Fazio, the NCUA's director of examination and insurance, will participate in the CUNA Webinar. He will explain various parts of the proposal. The session also will feature CUNA President/CEO Jim Nussle, Chief Policy Officer Bill Hampel and Deputy General Counsel Mary Dunn. Fazio, Nussle, Hampel and Dunn, will answer questions from participants as time permits.



[Registration](#) is currently open for the Webinar, scheduled for Jan. 26 from 1 to 2pm. The Webinar will be recorded and available for later streaming.

Additional information is available at CUNA's [Risk-based Capital Action Center](#).

[\[BACK TO TOP \]](#)

With Tax Season Upon Us, Get a Handle on ACH Tax Refunds

Webinar: Dealing with ACH Tax Refunds: Exceptions, Posting & Credit Union Responsibilities

**Tuesday, January 27, 2015
3:00 pm – 4:30 pm ET**

In 2014, the average IRS tax refund was \$3,034 and over 80% of these were via Direct Deposit. With these large dollar items and ever increasing volume, it is imperative that your financial institution handle



tax refunds with the utmost care and caution to avoid losses that can be caused by not understanding the unique requirements of IRS tax refunds. These requirements address account number/name matching situations, deceased recipients, refunds posting to incorrect accounts, and refunds as exception items.

Tuesday's Webinar, titled "Dealing with ACH Tax Refunds: Exceptions, Posting & Credit

Union Responsibilities", will cover the rights and obligations of the financial institution, accountholder, and tax preparer and will ensure you handle tax refunds correctly, minimizing liability for your financial institution. Luann Kohlmann, who serves as the Vice President of WACHA (The Premier Payments Resource), will present this vital information.

This informative session is designed for ACH operations staff, branch personnel, compliance officers, and AAP candidates.

The event is offered as a live Webinar for \$200, Archived Webinar + Free CD ROM for \$200, BOTH Live Webinar and Archived Webinar + Free CD ROM for \$250, and Archived Webinar ONLY (for CUs under \$20M in Assets) for \$169.

[To register, 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.



'Fresh Look' at FOM Updates Needed, Matz Highlights

ALEXANDRIA, Va. – A fresh look is needed when it comes to modernizing NCUA's field-of-membership (FOM) regulations, agency Chair Debbie Matz said.

Speaking at the January board meeting last week, Matz said she looks forward to the input generated by the working group she announced at the agency's December board meeting.

"In the coming months they'll be reaching out to stakeholders for ideas on how federal credit unions can remain competitive while complying with the Credit Union Membership Access Act," she said. "We look forward to getting their analysis and recommendation, and perhaps there are some changes we can make."

CUNA Deputy General Counsel Mary Dunn said CUNA is happy to work with NCUA and the working group in any capacity needed.

CUNA has previously worked on FOM issues with NCUA, including recommendations to allow rural districts and other communities increased access to credit unions.

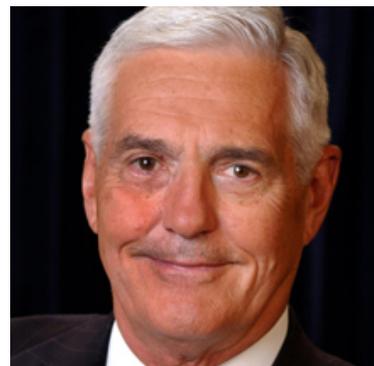
Matz listed FOM issues as one of the regulatory items on her agenda for 2015 in this month's *NCUA Report*. NCUA Vice Chair Rick Metsger also recently raised the issue, saying both statutory and regulatory changes to laws and regulations would serve consumers better.

[\[BACK TO TOP \]](#)

Bob Lutz, Former Vice-Chairman of General Motors, Will Present at CU Direct's DRIVE 2015 Conference

CU Direct is excited to announce Bob Lutz will be a speaker at its upcoming Automotive Lending & Marketing Conference, along with Neil Goldman. The conference will take place May 20-21 at the Cosmopolitan Hotel in Las Vegas, NV and there is an early bird discount currently offered.

As one of the most respected leaders in American business, Bob Lutz is a retired Vice-Chairman of General Motors and previously held leadership positions at BMW, Ford and Chrysler. Through his nearly 50 years of experiences, he became just as much of an expert on leadership as he was on developing high performing automobiles.



developing high-performing businesses.

Bob is now the President and CEO of Lutz Communications and has authored books such as *Icons and Idiots: Straight Talk on Leadership*, which is a management manifesto where Bob profiles the leaders that made an impression on him throughout his forty-seven year career. At DRIVE '15, Bob will provide a veteran insider's perspective into what makes a good leader and how credit unions can use these traits to create outstanding results and more success.

[Register for the 2015 DRIVE conference TODAY!](#)

Don't miss the opportunity to learn more about Bob's experiences and tips on how you can create more leadership value at your credit union.

Visit www.cudirectconference.com for all event details!



[\[BACK TO TOP \]](#)

9 CUs Among Plaintiffs in Home Depot Data Breach Suit

ATLANTA – Friday, the first procedural hearing began in the case that will determine whether Home Depot was at fault for the data breach that hit its stores last summer, a breach resulting in nearly \$60 million in costs to credit unions to reissue cards, grapple with fraud, and cover other costs.

An initial case management conference has been called by Chief Judge Thomas W. Thrash Jr., according to the *Atlanta Business Chronicle* (Jan. 14). The litigation will play out in U.S. District Court for the Northern District of Georgia in Atlanta, the city in which Home Depot's headquarters reside.

Nine credit unions are among the 44 plaintiffs to lodge lawsuits against the home improvement retail giant since it admitted to the breach in September (*Atlanta Business Chronicle*, Jan. 14), and more than 30 of those suits have been consolidated into one court action.

In general, the lawsuits allege Home Depot failed to comply with security standards and to protect the personal and payment data of its customers.

Thrash has asked attorneys representing the plaintiffs to arrive to court prepared to "suggest procedures that will facilitate the just, speedy and inexpensive resolution to this litigation."

CUNA continues to press lawmakers on the issue of ratcheting up payment data security standards for merchants.

Merchants aren't held to the same strict standards that financial institutions must adhere to, yet data breach costs are unfairly and

institutions must adhere to, yet data breach costs are unfairly and disproportionately carried by financial institutions.

[\[BACK TO TOP \]](#)

2015-2016 Annual Performance Plan Gets NCUA OK

ALEXANDRIA, Va. – The 2015-2016 Annual Performance Plan, which along with an operating budget, outlines the resources and strategies NCUA will use to achieve agency priorities and improve agency performance, received board approval Thursday.

The plan, approved at the NCUA open board meeting yesterday, is guided by the NCUA's 2014-2017 Strategic Plan, according to the agency. The plan's executive summary says:

"This plan strives to provide stakeholders, including NCUA employees, consumers, credit unions, other agencies, and Congress, with transparency and understanding around NCUA's performance goals by drawing a clear line from the agency's mission to the strategic goals, strategic objectives, performance goals, and performance indicators and targets."

The agency's four strategic goals supported by strategic objectives and performance goals are listed as:

- Ensure a safe, sound and sustainable credit union system;
- Promote consumer protection and financial literacy;
- Further develop a regulatory environment that is transparent and effective, with clearly articulated and easily understood regulations; and
- Cultivate an environment that fosters a diverse, well-trained and motivated staff.

The full plan is available [here](#).

[\[BACK TO TOP \]](#)

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

February 3 -- [VirtualCorps Webinar: Why a Payday Alternative Loan May Be Helpful to Many of Your Members](#)

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

February 10 -- [VirtualCorps Webinar: Understanding, Locating and Evaluating Auto Loan Participations](#)

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

February 17 -- [VirtualCorps Webinar: How to Develop a Simple Investment Strategy for Your Excess Liquidity](#)

February 24 -- [Free Information Session with Your Marketing Co.](#)

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

Industry Events

January 21 -- [NCUA Webinar on Revised RBC Proposal](#)

January 26 -- [CUNA's Update on NCUA's Risk Based Capital Proposal Webinar](#)

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

February 2 -- [Applications Open for NCUA Low-Income Credit Union Grant Round](#)

February 10 -- [NCUA Chairman's Town Hall Meeting with CFPB Director Cordray](#)

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](#)

May 20-21 -- [CU Direct's Automotive Lending & Marketing Conference](#)

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

June 5 -- [Reality Fair at Thomas Wallace School](#)

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

[\[BACK TO TOP \]](#)

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