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New Jersey Credit Unions Represented at Morris County Chamber's 94th Annual Meeting

WHIPPANY, N.J. – New Jersey credit unions were represented at the Morris County Chamber of Commerce's 94th Annual Meeting Luncheon held last Friday at the Hanover Marriott Hotel in Whippany, N.J.



XCEL FCU Director of Marketing and New Jersey Credit Union Political and Legislative Action Network (PLAN) Chairman Tom Quigley with John Bolton.

manage its compliance
› House Subcommittee to
Examine 'Sound Data
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› More Than 90% of 2014
Data Breaches were
Preventable, Report Says
› Credit Unions, Mark Your
Calendars

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](#).

John Bolton, U.S. Ambassador to the United Nations (2005-2006), was the keynote speaker and discussed "Strategic Threats to America from Cyberspace".

Bolton also served as undersecretary of state under President George W. Bush. He considered running for the GOP presidential nomination in 2012 and some speculate he will enter the 2016 race.



XCEL FCU President/CEO and NJCUL Board Chair Linda McFadden with past U.S. Ambassador to the United Nations John Bolton, the keynote speaker for the Morris County Chamber of Commerce's Annual Meeting.

Lou Vetere, President/CEO of Garden Savings FCU, is the Morris County Chamber of Commerce Chairman. Representatives from XCEL FCU, including XCEL FCU President/CEO and League Board Chair Linda McFadden and XCEL FCU Director of Marketing and New Jersey Credit Union Political and Legislative Action Network (PLAN) Chairman Tom Quigley were in attendance.

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CANCELED: Southern Chapter's Wednesday Meeting Canceled Due to Impending Storm

SOMERS POINT, N.J. – This Wednesday evening's Southern Chapter meeting has been canceled due to the impending snow storm.

Please look for communications from the League and the Southern Chapter for rescheduling information when it becomes available.

If you have any questions, please contact Janet Duffield at 856-696-2525, ext. 5385 or JDuffield@BayAtlanticFCU.org.

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Don't Miss Today's RBC2 Webinar, Still Time to Register

WASHINGTON – There is still time to register for CUNA's free Webinar taking place this afternoon on the NCUA's revised risk-based capital proposal (RBC2). The 60-minute [Webinar](#) is scheduled for 1 p.m.

CUNA President/CEO Jim Nussle,
Chief Policy Officer Bill Hampel

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

Webinar: HR Series: Interviewing Techniques & Best Practices: Hiring Right the First Time

3:00 pm to 4:30 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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Driving directions

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info@njcul.org

Connect with Us:

Chief Policy Officer Bill Hampel, and Deputy General Counsel Mary Dunn will discuss how and to what extent the new proposal addressed the significant concerns CUNA members raised with the first proposal.

CUNA staff will go into details of the organization's estimator tool, which is scheduled to go online today. The estimator will allow credit unions to plug in their own numbers and estimate the full impact the proposal would have on their operations.

The Webinar will also feature the CUNA economic team's analysis of the impact the proposal will have, as well as other areas of continuing concern.

CUNA staff will show credit unions what they need to assess their own outcome under the proposal, including the estimator tool, as well as the proposal's broader implications for the credit union community.

In addition to CUNA staff, NCUA Director of Examination and Insurance Larry Fazio will break down the proposal, including reasons behind many of the changes from the original proposal.

Nussle, Hampel, Dunn, and Fazio will also answer questions from participants, as time allows.

The RBC2 proposal was released at the NCUA's Jan. 15 board meeting, almost a year after the original proposal was introduced. While it contains improvements over the original, it is still a "solution in search of a problem," Nussle said.

The proposal will have a 90-day comment period beginning once it is published in the *Federal Register*, which could be as early as this week.

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

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Press of AC Highlights Jersey Shore FCU's Growth

NORTHFIELD, N.J. – An [article](#) published over the weekend by the *Press of Atlantic City* titled "Credit union's growth a combination of slow-cooking, big steps" highlights Jersey Shore FCU's growth in the region as it has widened its potential member base over the years.

The article gives a brief history of the credit union's transition from FAA Tech Center Credit Union, growing over time, then changing its name to Jersey Shore FCU in 2005.





Customers walk into the new Galloway Township branch of Jersey Shore Federal Credit Union on Jimmie Leeds Road. (Press of Atlantic City photo)

The catalyst for growth, says the *Press*, came later that year when its charter was modified to allow Jersey Shore to provide full financial services to anyone who lives, works, worships, volunteers or attends school in Atlantic and Cape May counties.

Jersey Shore FCU has grown from two offices to six in the two counties, its latest in 2013 a full-service branch on Jimmie Leeds Road in Galloway Township.

“We try to put our branches where a large portion of our membership lives,” said President/CEO Virginia Williams. “To come to Northfield from Galloway is a little bit of a ride for them, and we were finally able to do it.”

The article also highlights the credit union being recognized last year as Credit Union of the Year by the New Jersey Credit Union League and the credit union’s honor of winning the Louise Herring Philosophy-in-Action Member Service Award from CUNA in the \$50 million to \$250 million assets category.

[Click here for the full article.](#)

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CUNA, Trades Unite to Urge Congress on Data Security Action

WASHINGTON – CUNA and a group of other financial trade organizations has written to Congress with a set of principles to serve as a guide for potential data security legislation.

President Barack Obama has spoken of the need for such legislation, and the House subcommittee on commerce, manufacturing, and trade will host a hearing this week examining what sound data breach legislation should look like (see related story).

CUNA President/CEO Jim Nussle said the joint letter—with credit unions and banks uniting in a single message—serves to underscore the importance that legislative action be taken to plug the gaps in data security rules that apply to merchants.

The letter reads, "Some industries—including the financial industry—are required by law to develop and maintain robust internal protections to combat and address criminal attacks, and are required to protect consumer financial information and notify consumers when a breach occurs within their systems that will put their customers at risk.

"The same cannot be said for other industries, like retailers, that routinely handle this same information and increasingly store it for their own purposes."

The letter is signed by CUNA, the American Bankers Association, the Consumer Bankers Association, the Financial Services Roundtable, the Independent Community Bankers Association, NAFCU and The Clearing House.

The list of principles the organizations believe should serve as a guide when drafting data breach legislation are:

- Strong national data protection and consumer notification standards with effective enforcement provisions that are applicable to any party with access to important consumer financial information;
- Banks and credit unions are already subject to robust data protection and notification standards. These Gramm-Leach-Bliley Act requirements must be recognized;
- Pre-emption of inconsistent state laws and regulations for strong federal data protection and notification standards;
- In the event of a breach, the public should be informed where it occurred as soon as reasonably possible to allow consumers to protect themselves from fraud. Credit unions and banks should be able to inform their customers and members about the information regarding the breach, including the entity at which the breach occurred; and
- Requiring the costs of data breaches to be borne by the entity that incurs the breach.
- Financial institutions are subject to significant federal requirements regarding protection of information and consumer notification, and they are also subject to federal oversight, examination and sanction authority.

"This extensive legal, regulatory examination, and enforcement regime ensures that financial institutions robustly protect American's personal financial information," the letter reads. "In contrast, retailers that accept electronic payments face no similar requirements or oversight, and as a result millions of American consumers' personal financial information has been compromised in recent years."

According to surveys conducted by CUNA on the Home Depot and Target breaches, those events cost credit unions roughly \$60 million and \$30 million, respectively.

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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.

Improve the Results of Your Collection Department

Steve Peterson Will Introduce Methods to Help You Control Delinquency and Reduce Charge-Offs Significantly

Join us for a full-day collections session titled “Improving the Results of the Collection Department” where attendees will learn methods that will increase proceeds from deficiency balances, overdraft checking accounts, auto loans, mortgage loans, and unsecured loans of all types.

Are you monitoring your collection department solely on percentages? Steve Peterson has developed one of the most innovative techniques for monitoring collectors. His methods will help you control delinquency and reduce charge-offs significantly. This session will also help attendees evaluate whether their collection department is set up to succeed. This seminar is excellent for all experience levels of collections and lending officers.

The session will take place Wednesday, March 18th from 10:00 a.m. to 3:00 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 based on assets as follows: \$209 per person for credit unions over \$150 million in assets, \$149 per person for credit unions \$50-\$150 million in assets, and \$69 per person for credit unions below \$50 million in assets.

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.





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31 Credit Unions Agree to Late-Filing Penalties for Third Quarter 2014

Matz: Greater Compliance Encouraging, But Work Isn't Finished

ALEXANDRIA, Va. – Thirty-one federally insured credit unions subject to civil money penalties for filing third-quarter 2014 Call Reports late have consented to those penalties, the NCUA announced.

The late filers will pay a total of \$12,820 in penalties. Individual penalties range from \$138 to \$1,878. The median penalty was \$176. The Federal Credit Union Act requires NCUA to send any funds received through civil money penalties to the U.S. Treasury.

“The number of late filers continues to drop, and that’s encouraging,” NCUA Board Chairman Debbie Matz said. “Hopefully, we’ll soon have full compliance, which is really necessary for efficient data gathering and effective regulation. NCUA’s Office of Small Credit Union Initiatives is still available to help smaller institutions, and we will keep working to get to the point where all credit unions file Call Reports on time.”

Assessment of penalties primarily depends on three factors: the credit union’s asset size, its recent Call Report filing history, and the length of the delay. Of the 31 credit unions paying penalties in the third quarter:

- Nineteen had assets of less than \$10 million;
- Seven had assets between \$10 million and \$50 million; and
- Five had assets between \$50 million and \$250 million.

No credit unions with assets greater than \$250 million filed late in the third quarter.

One of the credit unions assessed penalties had been late in a previous quarter.

A total of 47 credit unions filed Call Reports late for the third quarter. NCUA consulted regional offices and, when appropriate, state supervisory authorities to review each of those cases. This review determined mitigating circumstances in five cases that led to credit unions not being penalized. In December, NCUA informed the remaining 42 credit unions of the penalties they faced and advised them they could reduce their penalties by signing a consent agreement. NCUA also said it would initiate administrative hearings against credit unions that did not consent. NCUA granted waivers for 11 of those credit unions. The remaining 31 credit unions consented.

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FREE Webinars from ComplySight on How the Tool Can Help Your CU Manage its Compliance



The League InfoSight Web compliance tool, ComplySight, is now available to New Jersey credit unions through the NJ CU League.

What is ComplySight and how can it help your credit union streamline the lengthy compliance process?

Click [here](#) to view an introductory video.

CU Solutions has also scheduled various Webinars to introduce credit unions to this tool. Click on a date and time below to participate.

Introduction to ComplySight

[Introduction to ComplySight](#)

January 28 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)

February 3 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)

February 10 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)

February 17 3:30 – 4:00 pm (EST)

[Introduction to ComplySight](#)

February 24 3:30 – 4:00 pm (EST)

ComplySight Training 1.01

[ComplySight Training 1.01](#)

February 5 3:30 – 4:30 pm (EST)

[ComplySight Training 1.01](#)

February 19 3:30 – 4:30 pm (EST)

ComplySight Training & Tips

[ComplySight Training & Tips](#)

January 29 3:30 – 4:30 pm (EST)

[ComplySight Training & Tips](#)

February 11

3:30 – 4:30 pm (EST)

[ComplySight Training & Tips](#)

February 25

3:30 – 4:30 pm (EST)

For more information, visit www.njcul.org/complysight.aspx or contact League Director of Compliance Nicola Foggie at nfoggie@njcul.org or 800-792-8861 ext. 112.

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House Subcommittee to Examine 'Sound Data Breach Legislation'

WASHINGTON – The House subcommittee on commerce, manufacturing and trade will examine what potential data breach legislation should look like in a hearing tomorrow.

Subcommittee Chair Rep. Michael Burgess (R-Texas) has said that working toward a federal data breach solution is a top priority for the 114th Congress.

"Data theft is a real and serious threat facing American families. With cybercrimes growing in size and scope by the day, we have a responsibility to improve cyber safeguards," Burgess said in a statement. "We need a plan in place that will help prevent data from being stolen in the first place, and will also alleviate consequences for consumers if hackers are successful. I am encouraged by the president's recent focus on this issue and call for a national standard, and I agree."

The stated [goal](#) of the hearing is to determine what elements should be included in federal legislation—legislation that the subcommittee said it hoped will result in uniform standards and better consumer protection.

"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," said CUNA President/CEO Jim Nussle in response to President Barack Obama's call for data breach notification legislation.

The hearing is scheduled to start at 10 a.m. and will be streamed on the House Energy and Commerce Committee's [Web site](#).

The full House Financial Services Committee will host a hearing, also at 10 a.m. tomorrow titled "Sustainable Housing Finance: An Update from the Director of the Federal Housing Finance Agency."

The hearing is likely to feature agency Director Mel Watt speaking on the future of housing finance, particularly the future of government-sponsored enterprises Fannie Mae and Freddie Mac.

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More Than 90% of 2014 Data Breaches were Preventable, Report Says

SEATTLE – More than 90% of data breaches that occurred in the first half of 2014 could have easily been prevented, according to the 2015 Data Protection Best Practices report from the Online Trust Alliance (OTA).

The nonprofit organization, which has a mission to "enhance online trust," [analyzed](#) more than 1,000 breaches involving the loss of personally identifiable information in 2014.

It found that 40% were the result of external intrusions, 29% were caused by employees due to a lack of internal controls, 18% were due to lost or stolen devices or documents and 11% were due to social engineering scams or fraud.

According to OTA, its recommendations for assessing third-party vendors would have prevented and contained the breaches at Target and Home Depot—breaches that have cost credit unions close to \$100 million.

Some of the recommendations included in the report are:

- Enforce effective password management policies by using multifactor authentication (e.g. passwords and one-time PINs), requiring the use of passwords for external vendor systems that are different from internal systems and deploying a log-in abuse detection system that monitors connections, login counts, cookies and other data;
- Run accounts with as few privileged access levels as possible, which is known as least privilege user access (LUA). For example, allow a user to edit documents or emails but do not give access to download payroll data or member lists;
- Use multilayered firewall protections that include up-to-date antivirus software and whole-disk encryption on all laptops, mobile devices and other equipment with sensitive data;
- Implement a mobile device management program that requires authentication to unlock a device, locks a device after five failed login attempts and enables remote wiping of a device should it become lost or stolen; and
- Permit only authorized wireless devices to connect to a network, including point-of-sale terminals and credit card devices. This includes encrypting communications with all wireless routers and printers. Keep "guest" network access on separate servers and access devices with strong encryption.
- OTA has also included a [risk assessment guide](#) as part of its report. The policies in the guide echo the proposals outlined by President Barack Obama his recent remarks regarding data security.

CUNA continues to urge Congress to increase data security standards for merchants so they are more aligned with the higher standards required of credit unions and other financial institutions.

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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

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

January 28 -- CANCELED: Southern Chapter Meeting: Elections to Be Held

January 30 -- [Children's Miracle Network Hospitals Annual Collaboration Forum](#)

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

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