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February 3rd, 2015  
Today's News:  
› Data Breach, FY2016 Budget Plan on Hill Radar this Week  
› Join NJCUL & Your Marketing Co. for a Free Information Session  
› *Motley Fool* Highlights Why CUs are Best Places for Auto Loans  
› Tokenization, EMV Provide 1-2 Card Fraud Prevention Punch  
› NCUA Hosting Fair Lending Webinar  
› Check Out the Financial Education Webinar Series Deal!  
› Lisa Weltner Promoted to Business Development Representative at First Financial FCU  
› Private Student Lenders Get Guidance on Graduated Payment Loans  
› CFPB Reminds FIs of Confidential Info

### Data Breach, FY2016 Budget Plan on Hill Radar this Week

WASHINGTON – CUNA is following several hearings on both sides of Capitol Hill this week, including sessions on data breach legislation and on the administration's fiscal year 2016 budget.

Hearings of credit union interest include:

- Today, the House Ways and Means Committee is scheduled to conduct a hearing on "The President's FY2016 Budget Proposal," and the House Oversight and Government Reform Committee has slated a hearing on "Inspectors General: Independence, Access and Authority;"
- On Wednesday, the House Financial Services subcommittee on oversight and investigations will hold a hearing titled "Exploring Alleged Ethical and Legal Violations at the Department of Housing and Urban Development;" and
- On Thursday, the Senate Finance Committee will hold a hearing on "The President's Budget for FY2016;" the Senate Commerce, Science and Transportation subcommittee on consumer protection, product safety, and insurance subcommittee will examine data breach issues in its hearing titled "Getting it Right on Data Breach and Notification Legislation in the 114th Congress."

CUNA continues its advocacy work on the data breach issue and will submit a statement for the record of the Senate hearing. CUNA continues to work with members in both the House and Senate to help shape legislative action on this issue.

Confidential Info  
Requirements  
› Broader 'Small Creditor',  
'Rural' Area Definitions  
Proposed by CFPB  
› 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](#).

shape legislative action on this issue.

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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.**



### Join NJCUL & Your Marketing Co. for a Free Information Session

HIGHTSTOWN, N.J. – Join us on Tuesday, February 24, 2015 from 11 a.m. to 1 p.m. to learn about the League's latest endorsed provider —Your Marketing Co.

Your Marketing Co. (YMC) utilizes the credit union's organizational goals and objectives to develop a comprehensive marketing plan for the credit union, as well as develop collateral and provide complete campaign support. Learn how YMC takes this on and meet the CEO & Founder Bo McDonald and Vice President of Marketing Molly Jackson.

Ask questions about YMC's approach, capabilities and offerings; and learn why the League chose YMC as it's latest endorsed provider.

**Date:** February 24, 2015

**When:** 11 am to 1 pm

**Where:** NJCUL in Hightstown, NJ and via video conference at Members 1<sup>st</sup> FCU in Vineland, NJ and Atlantic FCU in Kenilworth, NJ

**Cost:** Free -- *Lunch will be provided.*

**Registration:** Please email Mary Zelinsky at [mzelinsky@njcul.org](mailto:mzelinsky@njcul.org) to register.



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## Upcoming Events:

**February 10, 2015**  
**CFO Roundtable: Managing Operating Costs and More!**  
Location: NJCUL and via Video Conference  
10:00 am to 12:30 pm  
[More Information Click Here](#)

**February 11, 2015**  
**NJ DNA Dinner**  
Location: NJCUL  
5:15 pm to 8:00 pm  
[More Information Click Here](#)

**February 12, 2015**  
**Webinar: Qualifying Borrowers Using Personal Tax Returns Part 1**  
3:00 pm to 4:30 pm  
[More Information Click Here](#)

## Contact Us:

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## Connect with Us:



## Motley Fool Highlights Why CUs are Best Places for Auto Loans

MADISON, Wis. – *The Motley Fool* recommends credit unions as consumers' best choice for auto loans this year in a recently published article.

"Community banks fear them. Big banks think they can crush them. But over the years, the credit union has proved resilient.

"And unknown to most people, credit unions thrive by writing car loans," [the article begins](#).

The article explains how credit unions operate under a not-for-profit structure that allows them to provide better interest rates on savings and loan products.

Car loans make up 32% of all credit union loans outstanding. "To win business, most credit unions price their auto loans at a fraction of the price that the nation's banks offer," the article stated. "It's not unusual for their rates to be 1%-2% lower than most for-profit banks."

On average, used-car buyers would save as much as \$398 by using a credit union, while new-car buyers who pick the lengthiest loan term would save \$1,220.

"But if there's one thing you should take away, it's this: Across the board, credit unions have much better auto-loan rates than banks do," the article concludes. "Over time, the difference can add up to serious savings—savings worth shopping for."

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## Tokenization, EMV Provide 1-2 Card Fraud Prevention Punch

DES MOINES, Iowa – A new white paper from The Members Group explores how tokenization could tag-team with EMV to reduce card fraud with minimal impact to card holders.

Tokenization and EMV are similar in that they both use new payment technology to prevent fraudsters from either accessing or replicating vulnerable mag-stripe data. Unlike the EMV chip, however, tokenization is invisible to the cardholder.

In the digital payments realm, tokenization replaces all the coveted card account data that's being hacked and sold on the black market with secure digital tokens. These tokens have absolutely no value to thieves. That's because only the major card networks who provision the tokens are capable of decrypting them.

As with EMV, the decision to enable a credit or debit card portfolio for tokenization resides with the issuer. It is not a requirement, and the card brands have not issued any mandates. However, the TMG anticipates Visa, MasterCard and potentially others to take a similar stance on tokenization as they have with EMV, namely with the



establishment of liability shifts or similar incentives.

CUNA also believes that a layered approach to improving payments security is needed for all entities. Such a system should consist of chip cards, tokenization and encryption—where payment data is encrypted in a secure terminal, transmitted through an internal or external network and decrypted in a secure environment. CUNA also strongly advocates improved data security standards for merchants, aligning them with the higher standards that apply to credit unions and other financial institutions.

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## NCUA Hosting Fair Lending Webinar

### Learn More About NCUA's Fair Lending Exam Program and Best Practices

ALEXANDRIA, Va. – The NCUA will host a free Webinar, “Fair Lending and HMDA Compliance,” on Friday, Feb. 20, 2015, beginning at 2 p.m. Eastern.

During this Webinar, Director Gail Laster and Deputy Director Matthew Biliouris of NCUA's Office of Consumer Protection and their staff will provide an overview of the agency's fair lending examination program. They will also outline best practices that can help credit unions of all asset sizes better comply with fair lending requirements. In addition, Webinar participants will have the opportunity to learn more about the reporting requirements under the Home Mortgage Disclosure Act, as well as the most common reporting errors made by credit unions.

Online registration is now available [here](#). Participants will also use this link to log into the Webinar. Registrants should allow pop-ups from this Web site.

Participants may submit questions in advance at [WebinarQuestions@ncua.gov](mailto:WebinarQuestions@ncua.gov). The subject line of the email should read “Fair Lending Webinar.” Participants with technical questions about accessing the Webinar may email [audience.support@on24.com](mailto:audience.support@on24.com).

This Webinar will be closed-captioned and then archived online approximately three weeks following the live event. NCUA's Office of Consumer Protection is responsible for consumer compliance policy and rulemaking, fair lending examinations and interagency coordination on consumer compliance matters.

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## Check Out the Financial Education Webinar Series Deal!

### Find Your Field and Receive 6 Webinars for the Price of 5!

HIGHTSTOWN, N.J. – If you participate in Financial Education Webinars presented to you by the NCUA League, you know they offer

Webinars presented to you by the NJ CU League, you know they offer relevant content presented by subject matter experts. The Webinars are now available in series, a line-up of 6 Webinars for specific topics/staff members. Receive 6 Webinars for the price of 5!

Click the links below to view the series for each topic area and to view registration options for each series:

- [2015 HR Series](#)
- [2015 Advanced ACH Specialist Series](#)
- [2015 Director Series](#)
- [2015 IRA Series](#)
- [2015 BSA Compliance Series](#)
- [2015 Required Compliance Series](#)
- [2015 New Accounts Series](#)

Each Webinar is listed on our education calendar with a link at the bottom to order online.

Or, if you prefer, you can visit <http://njcul.fed.cuwebtraining.com/store/webinar/> to view upcoming Webinars by profession as well as archived sessions.

If you have any questions, please contact Barbara Agin at [bagin@njcul.org](mailto:bagin@njcul.org).

*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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## Lisa Weltner Promoted to Business Development Representative at First Financial FCU

WALL, N.J. – Lisa Weltner, of Spring Lake Heights, was promoted to Business Development Representative at First Financial Federal Credit Union in January 2015.

Ms. Weltner will be responsible for implementing programs to increase First Financial's penetration with existing business partners. She will also develop and coordinate membership drives and build new business relationships through



business relationships through business contacts, referrals, and outbound/inbound responses to direct marketing promotions.



Weltner began working at First Financial in November 2013 as a Teller.

Weltner holds an Associates Degree in General Science from Horry-Georgetown Technical College in Conway, South Carolina. In 2012, Weltner and her family started "No One Fights Alone," a nonprofit organization that benefits children with Cancer in Ocean County, N.J. She is also an active Natural Bodybuilding competitor and enjoys football, ice hockey, traveling, and spending time with family and friends.

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## Private Student Lenders Get Guidance on Graduated Payment Loans

WASHINGTON – NCUA, in concert with the other federal financial regulatory agencies, and in partnership with the State Liaison Committee (SLC) of the Federal Financial Institutions Examination Council (FFIEC), issued guidance last week on private student loans with graduated repayment terms at origination.

The guidance is intended to provide credit unions and other private student lenders with principles that financial institutions should consider in their policies and procedures for originating such loans.

The joint-regulators' guidance notes that while graduated repayment terms are available under certain federal student loan programs, credit risk associated with loans guaranteed and originated by the federal government differ from that of private student loans.

"Accordingly, some extended repayment features offered under the federal student loan programs may not always be appropriate for private student loans," the guidance says.

Also: "Financial institutions that originate private student loans with graduated repayment terms should prudently underwrite the loans in a manner consistent with safe and sound lending practices.

"Additionally, financial institutions should provide disclosures that clearly communicate the timing and the amount of payments to facilitate a borrower's understanding of the loan's terms and features."

The guidance recommends the following principles for private student loans with graduated repayment terms at origination:

- Ensure orderly repayment;
- Avoid payment shock;
- Align payment terms with a borrower's income;
- Provide borrowers with clear disclosures;
- Comply with all applicable federal and state consumer laws and regulations and reporting standards; and
- Contact borrowers before reset dates

▼ Contact borrowers before reset dates.

The guidance was issued by NCUA, the Federal Reserve Board, the Consumer Financial Protection Bureau, the FDIC, the Office of the Comptroller of the Currency and the SLC.

Additional details are available [here](#).

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## CFPB Reminds FIs of Confidential Info Requirements

WASHINGTON – Financial institutions under the supervision of the Consumer Financial Protection Bureau (CFPB) have been sent a bulletin reminding them of their responsibilities regarding treatment of confidential supervisory information (CSI). The CFPB has supervisory authority over credit unions and banks with more than \$10 billion in assets.

The [bulletin](#), issued last week, provides guidance on what types of information constitute CSI and explains that disclosure of CSI is not allowed.

According to the bureau, examples of CSI include: CFPB reports and supervisory letters; all information contained or related to those documents, including an institution's supervisory compliance rating; communications between the CFPB and the institution relating to the CFPB's examination and other supervisory activities; and other information created by the bureau in the exercise of its supervisory authority.

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## Broader 'Small Creditor', 'Rural' Area Definitions Proposed by CFPB

WASHINGTON – The Consumer Financial Protection Bureau (CFPB) Thursday proposed a broader definition of "small" credit union and bank, as well as an expanded designation for what comprises a "rural" area.

If finalized, the proposal would increase the number of financial institutions able to offer certain types of mortgages in rural and underserved areas by exempting more small creditors from the CFPB's tough new mortgage rules.

In May 2013, the bureau announced it would study whether the definitions of rural and underserved should be adjusted. In May 2014, the bureau requested public comment regarding the origination limit for small creditor status.

CUNA strongly backed easing the regulatory burden of the rules for credit unions. Being exempt from some of the provisions of the CFPB's Ability-to-Repay and Qualified Mortgage (QM) rules can beneficially affect the types of products a credit union can offer its members in what can be underserved areas, CUNA has noted.

CUNA President/CEO Jim Nuebel said after the CFPB announcement

CUNA President/CEO Jim Nussle said after the CFPB announcement Thursday that the changes are significant.

The [CFPB's new proposal](#) would define "small creditor" as one that originates no more than 2,000 first-lien mortgage loans, up from a 500 loan origination limit.

It also would expand the definition of "rural" by adding "census blocks that are not in an urban area as defined by the Census Bureau" to its current description.

Nussle noted, "CUNA fervently advocated to the bureau to take another look at these areas, and we thank them for listening to the concerns of credit unions. More work still needs to be done, but this is an important step in the right direction.

"We're working with our mortgage lenders and member credit unions to submit a robust comment letter on these proposed changes. The changes announced today will benefit a number of community lenders, including credit unions, across the country. Ultimately, the real winners are communities. As credit becomes more available, it's the growth of the communities across America that will develop in the long run."

The bureau also proposes a compliance grace periods for creditors that suddenly push past the loan threshold qualifying for the relief. Among other things, the CFPB proposal considers extending small creditors' exemption from limits on balloon-payment loans by about three months, which would bring it to April 2016, among other changes.

Interested parties have until March 30 to comment.

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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 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 19 -- [Compliance Roundtable: Pressing Compliance Issues](#)

February 19 -- [NJ READ Meeting](#)

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**

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

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

February 18 -- [Southern Chapter Meeting: Foundation & Compliance Update](#)

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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