

**Subject:** The Daily Exchange -- February 9, 2015  
**Date:** Monday, February 9, 2015 11:47 AM  
**From:** New Jersey Credit Union League <news@njcul.org>  
**Reply-To:** news@njcul.org  
**To:** staff@njcul.org  
**Conversation:** The Daily Exchange -- February 9, 2015

To ensure that you continue receiving our emails, please add us to your address book or safe list. [Unsubscribe](#)

[Update Your Communications Preferences](#)



- February 9th, 2015
- Today's News:
- › Less Than a Month to GAC, Still Time to Register
  - › Credit Unions, Small Businesses Will Benefit from NCUA-SBA Partnership
  - › Still Time to Register for Tomorrow's Town Hall Webinar with NCUA Chairman Matz and CFPB Director Cordray
  - › Polish & Slavic FCU Celebrates Five Year Anniversary in Illinois as it Hits 12,000 Member Mark
  - › House Passes CUNA-Backed Bill to Examine Rulemaking Effects
  - › Check Out the Science of E.D.G.E.!
  - › Sens. Consider GLBA as Breach Law Base: CUNA Presses for GLBA Standards
  - › CUNA-Supported Bill Would Limit Reputation Risk Enforcement
  - › CUNA to Take Reg. Relief

### Less Than a Month to GAC, Still Time to Register

WASHINGTON – In less than a month, some 5,000 credit union leaders will come together for CUNA's 2015 [Governmental Affairs Conference](#) (GAC), the credit union movement's premier conference.

Participants will hear from Washington policymakers and keynote speakers, and bring the credit union message to Capitol Hill during the annual Hike-the-Hill.

The event will feature breakout sessions on the top issues facing credit unions, including NCUA's revised risk-based capital proposal, cybersecurity and data breaches, credit union examination concerns, regulatory burden, and more.

Sens. Sherrod Brown (D-Ohio), Jeff Merkley (D-Ore.), Gary Peters (D-Mich.), and Elizabeth Warren (D-Mass.) have all been confirmed to appear. Other speakers include retired Gen. Stanley McChrystal (3/8), former White House Press Secretary Ari Fleischer (3/9), media influencer and journalist Arianna Huffington (3/10), and former Secretary of Homeland Security and Pennsylvania Gov. Tom Ridge (3/11).

CUNA has confirmed that the Senate will be in session, and key members of the House are expected to be in Washington as well.

Attendees will have the opportunity to meet face-to-face with many of their lawmakers and key staffers to share firsthand the benefits of credit unions. They also will explain the issues credit unions face including such priorities as regulatory relief and protecting the credit union tax status.

› CUNA TO TAKE REG. RELIEF  
Message to Senate at Feb.  
12 Hearing  
› 'Patent Troll' Reform  
Reintroduced  
› 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](#).



[ [BACK TO TOP](#) ]

## Credit Unions, Small Businesses Will Benefit from NCUA-SBA Partnership

### Agencies Believe Credit Unions Well-Suited to Expand Small Business Loans

ALEXANDRIA, Va. – The NCUA will team up with the U.S. Small Business Administration (SBA) on a series of initiatives aimed at helping small businesses connect with local credit unions to get better access to capital.

NCUA and SBA have signed a Memorandum of Understanding (MOU) outlining a series of educational initiatives during the next three years that include Webinars, examiner training on SBA programs, data resources, and media outreach. The MOU notes that NCUA and SBA agree on the importance of providing access to loan programs for small businesses, especially underserved borrowers. The primary objective of this collaboration between NCUA and SBA is increasing the awareness of credit unions to programs offered by SBA.

“This is a tremendous opportunity for credit unions and small business owners,” NCUA Board Chairman Debbie Matz said. “SBA-guaranteed loans made by credit unions provide needed capital for existing small businesses and start-ups that might have difficulty obtaining loans from other institutions. With a significant portion of principal guaranteed by the full faith and credit of the United States government, SBA loans rank among credit unions’ safest loans. There is a vast untapped capacity for credit unions to make more SBA loans. This initiative will help us unlock that capacity and put it to work for credit unions, their members and their communities.”

“It’s about to become easier for credit unions to help their members finance small business ventures,” SBA Administrator Maria Contreras-Sweet said. “It’s a natural fit; credit unions are some of this nation’s most trusted mission-based lenders. This partnership will have another benefit in that it will serve the needs of encore entrepreneurs, people who’ve worked all their lives in one career who decide to strike out on their own. SBA will backstop the loans, and credit unions’ long-term relationships with their members put them in an ideal position to assess their character and creditworthiness.”

SBA-guaranteed loans are designed to provide credit to business owners who might not qualify for standard business loans. The guaranteed portions of SBA-backed loans do not count against credit unions’ statutory cap on member business lending. SBA guarantees range from 50% up to 90% of the principal of each loan, depending on the loan type.

NCUA and SBA have scheduled a joint Webinar for credit union officials and NCUA staff to learn more about SBA lending. The Webinar is scheduled for March 4 at 3 p.m. Eastern. Details will be

## Upcoming Events:

**February 10, 2015**  
**VirtualCorps Webinar:**  
**Understanding, Locating**  
**and Evaluating Auto Loan**  
**Participations**  
3:00 pm to 4:00 pm  
[More Information Click Here](#)

**February 11, 2015**  
**Webinar: New Accounts**  
**Series: Account Opening**  
**Due Diligence**  
3:00 pm to 4:30 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:

### 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](mailto:info@njcul.org)

## Connect with Us:



Webinar is scheduled for March 4 at 3 p.m. Eastern. Details will be released in coming weeks.

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

## Still Time to Register for Tomorrow's Town Hall Webinar with NCUA Chairman Matz and CFPB Director Cordray

### Register Now to Join an In-Depth Discussion of NCUA, CFPB Regulatory Issues

ALEXANDRIA, Va. – Registration is still open for a town hall Webinar with NCUA Board Chairman Debbie Matz and her guest, Richard Cordray, Director of the Consumer Financial Protection Bureau (CFPB).

The Webinar is scheduled for Tuesday, Feb. 10, beginning at 3 p.m. Eastern. Online registration for the no-cost Webinar is available [here](#). Participants will use this same link to log into the Webinar, and they should allow pop-ups from this Web site.

“This Webinar, the fourth one we’ve had with Director Cordray, will give credit union leaders and compliance officials an opportunity to talk directly with regulators and get answers to important questions,” Matz said. “I encourage anyone interested in consumer and credit union regulations to join us.”

During the Webinar, participants will be able to submit questions and receive answers about topics related to the credit union system or CFPB’s work. Participants can submit advance questions at [WebinarQuestions@ncua.gov](mailto:WebinarQuestions@ncua.gov). The subject line of the email should read, “NCUA-CFPB Town Hall.”

For technical questions about accessing the Webinar, please send an email to [audience.support@on24.com](mailto:audience.support@on24.com).

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

## Polish & Slavic FCU Celebrates Five Year Anniversary in Illinois as it Hits 12,000 Member Mark

### Nation’s Largest Ethnic Credit Union Announces Plans to Open Fourth Branch in Schaumburg Later this Summer

BROOKLYN, NY – The nation’s largest ethnic credit union, Polish & Slavic Federal Credit Union (PSFCU), celebrated its five years of operation in Illinois this past week, and announced plans to open its fourth Chicago area branch in Schaumburg later this summer.





*Mr. Krzysztof Matyszczyk, PSFCU Board of Directors, past NCUA Chairman Mr. Michael Fryzel, and PSFCU CEO/President Mr. Bogdan Chmielewski.*

The Schaumburg location will mark the Brooklyn-based credit union's fourth Illinois location. PSFCU debuted in the Chicago area in 2010 with branches in Norridge and Mount Prospect. One year later it opened a gleaming new branch in Bridgeview, just south of Chicago.

PSFCU officials celebrated the Illinois anniversary during a ceremony at its Norridge branch. The credit union pointed to its rapid growth in membership as a strong indication of its success in the Chicago area. Since opening its doors in January 2010, the credit union has attracted an impressive 12,000 members. Combined, the three branches have in excess of \$117 million in deposits, and have extended loans of more than \$114 million.



*PSFCU Mt. Prospect Branch Manager Ms. Anna Mscisz (left) and Norridge Branch Manager Ms. Katarzyna Kwaterkiewicz (right) cut anniversary cake.*

"The results clearly indicate that the decision to expand our credit union's operation to Chicago was not only correct, but also a great success," said PSFCU Chief Executive Officer Bogdan Chmielewski. "We always felt we would find a home in Chicago, and with the ground-breaking set for our new Schaumburg branch this summer, we're looking to deepen our roots in the area."

The strong and affluent Polish community in Illinois provides a desirable opportunity for the Polish & Slavic Federal Credit Union, and

promises continued growth.

Among those honored guests for the recent celebration in Norridge was Michael Fryzel, former chairman of the NCUA. Mr. Fryzel, the only Polish-American to serve as Chairman of the NCUA, became a member several months ago and consolidated all his existing credit union accounts into a PSFCU account. He even consolidated the accounts of his six grandchildren into PSFCU accounts.

“That is a type of faith I have in this credit union. I have watched them through years, I have seen them growing and have seen what are they capable of doing. And now PSFCU is opening the fourth branch in Illinois, which in my opinion will be very successful,” Mr. Fryzel said.

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

---

## House Passes CUNA-Backed Bill to Examine Rulemaking Effects

WASHINGTON – A bill that would force regulators to take into account small businesses during the rulemaking process was passed Thursday by the U.S. House by a vote of 260-163. The Small Business Regulatory Flexibility Improvement Act of 2015 (H.R. 527) is supported by CUNA, who along with a broad coalition of trade organizations, signed a letter of support for the bill Wednesday.

The bill requires federal agencies to better assess the impacts of their regulations on small business and to look for ways to reduce unnecessary burdens and design less onerous rules.

The bill would modernize a 1980 law, the Regulatory Flexibility Act (RFA), which the Small Business Administration (SBA) estimated saved small businesses \$4.8 billion in fiscal year 2014 alone. The RFA does not cover all rules that impact small businesses, since the businesses affected are not directly regulated entities.

If passed by the Senate and signed into law, the bill would give the SBA's Office of Advocacy additional authorities, and the office would be required to establish standards for conducting a regulatory flexibility analysis during a rulemaking process.

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

---

## Check Out the Science of E.D.G.E.!



HIGHTSTOWN, N.J. – In an effort to better connect with member



credit unions, the Member Experience & Education Department has created an infographic to visually explain the 2015 educational opportunities. To view the infographic, [click here](#).

Education looks at three tracks: Volunteer, Executive and Staff. While there is crossover at times, the information is designed to illustrate key learnings by profession.

In 2015, our goal is to better engage with our credit unions as we look to rebuild the education department. In addition, we invite members and associate members to reach out to us with their training needs. Sessions such as the recent Decedent Account Class and the upcoming Brett Christensen Lending School are direct results of collaboration at work.

We believe our approach to further collaborate and connect within our New Jersey credit union community will allow us to provide the unique solutions that your credit union needs, while leveraging our collective strength. You, our members, are our focus. Together we are stronger.

*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.*



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

## Sens. Consider GLBA as Breach Law Base: CUNA Presses for GLBA Standards

WASHINGTON – Members of the U.S. Senate subcommittee on consumer protection, product safety, insurance, and data security discussed the potential of using security specifications in the Gramm-Leach-Bliley Act (GLBA) as a model for building a national data security standard in a hearing Thursday.

The GLBA contains language that allows it to preempt existing state laws to create a more uniform security standard, which CUNA and members of Congress have said needs to be an integral part of data breach legislation.

"I think Gramm-Leach-Bliley offers a potential model here," said Sen. Richard Blumenthal (D-Conn.), the subcommittee's ranking member. He added that the preemption aspect of the law might prove to be common ground upon which to build data breach legislation.

CUNA continues to advocate that, beyond simply preemption, the strict security standards laid out for financial institutions in the GLBA should be applied to merchants as well. CUNA signed a joint [letter](#) sent to the subcommittee before this hearing, as well as before a similar hearing conducted by a House subcommittee last week, outlining the principles that should be present in any potential legislation.

regulation.

Subcommittee Chair Sen. Jerry Moran (R-Kan.) said the need for federal action in the face of increasing data breaches becomes clearer each day.

"While Congress has developed sector-specific data security requirements for both financial institutions and companies that handle particular types of health information, Congress has been unable to reach consensus on the development of a national data security and data breach notification standard," Moran said.

"As a result, states have taken on this task by developing their own standards, and as of today, businesses are subjected to a patchwork of over 50 different state, district and territory laws that determine how businesses must notify consumers in the event of a breach."

In addition to federal security and notification standards, CUNA is pushing for parties who are breached to bear the costs resulting from the data breaches. According to CUNA surveys last year, data breaches at Home Depot and Target alone cost credit unions more than \$90 million.

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



***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.***

## **CUNA-Supported Bill Would Limit Reputation Risk Enforcement**

WASHINGTON – A bill limiting federal regulators' ability to pressure financial institutions to terminate specific accounts or restrict services to consumers was introduced Thursday and has CUNA support.

The Financial Institution Customer Protection Act (H.R. 766) would restrict enforcement of the U.S. Department of Justice's (DOJ) Operation Choke Point.

Operation Choke Point was introduced by the DOJ in 2013, and allows its Financial Fraud Task Force to investigate whether financial institutions and payment-processing companies were enabling fraudulent activity.

"We support the federal government's role in fighting fraud and ensuring the integrity of financial markets; nevertheless, we are

concerned that Operation Choke Point's broad enforcement tactics could undermine effectiveness and create risks to consumers and the economy," said Jim Nussle, CUNA president/CEO, in a [letter](#) to the sponsor supporting his bill.

"Operation Choke Point activities have resulted in some financial institutions suspending access to financial services for certain legal businesses."

The bill limits the ability of federal regulators to pressure a depository financial institution to terminate a specific member account. It would also prevent regulators from otherwise restricting or discouraging a depository institution such as a credit union from entering into or maintaining a financial services relationship with a specific customer unless certain criteria is met.

"Before any relationship is terminated with a credit union member, the regulator must have a material reason that is not based solely on reputation risk," Nussle wrote. "We believe this is a reasonable approach, and we support the legislation."

Just last week, the FDIC issued a Financial Institution Letter encouraging institutions under its supervision to assess risk of individual customer relationships rather than take a wholesale approach of declining to provide banking services to entire categories of customers.

CUNA is seeking similar guidance from NCUA, both for credit unions and NCUA examiners.

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

---

## CUNA to Take Reg. Relief Message to Senate at Feb. 12 Hearing

WASHINGTON – CUNA will testify at an upcoming U.S. Senate Banking Committee hearing on regulatory relief scheduled for Thursday. The [hearing](#) will examine the effects of regulatory burden on credit unions and community banks. It will follow a Feb. 10 hearing on the same topic at which NCUA and other federal financial regulators will testify.

Wally Murray, president/CEO of Greater Nevada CU will testify on CUNA's behalf. Murray currently chairs the Nevada league's board, serves on CUNA's examinations and supervision subcommittee, and was nominated by CUNA to serve on NCUA's revised risk-based capital proposal working group.

Regulatory relief is a top priority for CUNA, from both the legislative and regulatory side. CUNA testified at similar House and Senate regulatory relief hearings last year.

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

---

## 'Patent Troll' Reform Reintroduced

WASHINGTON – As expected, a bill combating "unfair and deceptive" patent lawsuits was reintroduced last week.



The Innovation Act was approved by the U.S. House in the previous Congress. Since the Senate did not act on the measure it needed to be re-introduced to be considered by the 114th Congress.

CUNA supported the bill when it was first introduced, while urging it to go further in protecting financial firms from litigation on commonly used technologies. The version passed by the House included a CUNA-supported amendment that would require "patent trolls" to identify their parent entity when making a patent infringement claim. The re-introduced version of the bill:

- Requires plaintiffs to disclose who the owner of a patent is before litigation, so that it is clear who the real parties behind the litigation are;
- Requires plaintiffs to actually explain why they are suing a company in their court pleadings;
- Requires courts to make decisions about whether a patent is valid or invalid early in the litigation process;
- Requires judges to award attorneys' fees to the victims of a lawsuit when parties bring lawsuits or claims that have no reasonable basis in law and fact. This provision applies to both plaintiffs and defendants who file frivolous claims;
- Requires the Judicial Conference to make rules to reduce the costs of discovery in patent litigation;
- Creates a voluntary process for small businesses to postpone expensive patent lawsuits while their larger sellers complete similar patent lawsuits against the same plaintiffs; and
- Requires the U.S. Patent and Trademark Office to provide educational resources for those facing abusive patent litigation claims.

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

---

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

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

February 19 -- [CU Direct Webcast Event: First Look: Drive Growth with the NEW AutoSMART](#)

February 23-28 -- [America Saves Week](#)

March 3 -- [Deadline for NCUA Low-Income Credit Union Grant Round Applications](#)

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

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

New Jersey Credit Union League | news@njcul.org | New Jersey Credit Union League | 299 Ward Street | Hightstown, NJ 08520



**[Manage Your Subscription](#)**