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April 21st, 2015
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This Week in Congress: NCUA to Bring Regulator View to House Reg. Burden Hearing

WASHINGTON – A U.S. House subcommittee hearing on regulatory burden from a regulator's perspective highlights activities in Congress this week.

On Thursday, the House Financial Services subcommittee on financial institutions and consumer credit will conduct a hearing with a number of witnesses from federal regulatory agencies, including the National Credit Union Administration.

Larry Fazio, director of the NCUA's Office of Examination and Insurance, has been confirmed as a witness. The subcommittee has not released the full witness list for the hearing, set for 9:15 a.m. (ET) Thursday.

CUNA will also be monitoring the following hearings this week:

- Today and Thursday, 10 a.m. (ET): Senate Banking Committee, "Surface Transportation Reauthorization: Building on the Success of MAP-21 to Deliver Safe, Efficient and Effective Public Transportation Services and Projects." Transportation officials and other stakeholders will speak;
- Wednesday, 10 a.m. (ET): House Financial Services Committee task force to investigate terrorism financing, "A [Survey](#) of Global Terrorism and Terrorist Financing;"
- Wednesday, 11 a.m. (ET): House Small Business Committee, "Small Business Big Threat, Protecting Small Businesses

HIGHLIGHT RESOURCES FOR CUNA
› Senate Banking Committee to Vote Reg. Relief Measures May 14
› TROL Act a Positive Step, But Improvements Needed, According to CUNA
› Credit Unions, Mark Your Calendars



One Week from Today: NJCUL's Golf Outing!

Spring has sprung and it's time to get on the greens!

Join us for our 27th Annual Golf Tournament on April 28th at Forsgate Country Club for a day on the greens, lunch at the turn, an awards dinner, and more!

[Credit union golfers can register here!](#)



from [Cyberattacks](#);" and

- Thursday, 2 p.m. (ET): Senate Finance Committee, [hearing](#) to consider departments of the Treasury and Health and Human Services nominations.

The House will also consider a number of bills this week, including three of interest to CUNA:

- The Bureau of Consumer Financial Protection Advisory Board Act (H.R. 1195), which would codify the bureau's Credit Union Advisory Council and create a small business panel. CUNA supports this bill;
- Protecting Cyber Networks Act (H.R. 1560), which would enable private companies to share cyberthreat indicators with each other, and with the federal government, although on a voluntary basis, and not through the National Security Agency or Department of Defense; and
- National Cybersecurity Protection Advancement Act of 2015 (H.R. 1731), which would amend the Homeland Security Act of 2002 to enhance information sharing and strengthen privacy protections.

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Symantec Report: 59% of Compromised Info Linked to Retailer Breaches

MOUNTAIN VIEW, Calif. – A recent report from the Internet security firm Symantec revealed just how devastating an attack on a retailer can be for consumers.

The 2015 Internet Security Threat Report found that retailers were responsible for exposing roughly 59% of all personal data compromised last year, despite only representing 11% of all breaches recorded (*Pymnts.com* April 20).

Given the sheer quantity of personal data in the possession of retailers nationwide, it's no surprise CUNA and the state leagues continue to urge lawmakers at the national level to pass legislation that would require merchants to protect data as strongly as financial institutions do.

It's also not just the mega-retailers that are vulnerable, the report found, as roughly 60% of the targeted organizations last year were either small- or medium-sized. This may be especially concerning, as smaller organizations often have more difficulty defending themselves (*Pymnts.com*).

Additional findings from the report:

- The percentage of breaches in which financial information was compromised doubled to 36% from 18% during the year;
- Symantec counted 23% more breaches in 2014.

Upcoming Events:

April 27, 2015
Webinar: Important SAR Procedure Updates from the Revised BSA/AML Examination Manual
3:00 pm to 4:30 pm
[More Information Click Here](#)

April 28, 2015
NJCUL's 27th Annual Golf Tournament
Location: Forsgate Country Club, Monroe Township, NJ
8:00 am to 4:30 pm
[More Information Click Here](#)

April 29, 2015
Webinar: EMV & Debit Cards: Preparing for the October 1, 2015 Liability Shift
3:00 pm to 4:30 am
[More Information Click Here](#)

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- Cyberattacks counted 20% more breaches in 2014;
- Spear-phishing—an email spoofing fraud method that targets an organization by seeking unauthorized access to confidential data—climbed 8%, while the cybercriminals behind such attacks became more efficient. Criminals sent 14% fewer emails to 20% fewer targets, while their success improved;
- Malware continued to flourish, with more than 317 million new pieces of malware created last year, or nearly 1 million per day; and
- Digital extortion, or ransomware, attacks jumped 113% in 2014, including a 4,000% increase in crypto-ransomware attacks where cybercriminals freeze a victim's files or systems until they receive a payment, or a ransom.

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Affinity FCU Sponsoring American Dream 5K

BRIDGEWATER, N.J. – On July 30th, 2015, Affinity Federal Credit Union and New Jersey Community Capital will be hosting the Chasing the American Dream 5K and Kids Rainbow Run.

A twilight race held at Duke Island Park in Bridgewater, N.J., the event will include a USATF sanctioned 5K, one-mile fitness walk, and a kids "rainbow run". Runners can create their own teams or run as individuals. Proceeds from the event will be used to provide food, shelter and support to New Jersey families.



To read more about the event or to register, please visit www.ChasingtheAmericanDream5K.org. For Sponsorship Opportunities, contact Maria Crimi, Affinity Foundation Development Specialist at MariaC@affinityfcu.com or 908.860.3837.

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ACH Transactions Jump to 23B in 2014, According to NACHA

HERNDON, Va. – Automated Clearing House (ACH) transactions grew to nearly 23 billion electronic payments in 2014, an increase of 5% (or 1 billion transactions) from 2013, according to NACHA-The Electronic Payments Association.

A total of more than \$40 trillion was transferred over the ACH network last year, an increase of more than 3% compared with 2013.

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last year, an increase of more than 9% compared with 2013.

NACHA announced its [2014 statistics](#) last week, statistics that reflect a growing use of "native" electronic payments, meaning transactions that start and end as electronic. Native transactions rose 6.3% to 2014 from 2013 and constituted 90% of ACH network volume.

Online payments, which occur when authorization is provided on the Internet or wireless network, grew 10.2% in 2014. A total of 3.6 billion Web transactions were exchanged via the network last year, including 7.4 million Web credits that were person-to-person (P2P) payments.

NACHA also released data on its National System of Fines program, which evaluates parts of the payments system for rules violations, correcting them when they occur. In 2014, NACHA assessed fines in 148 cases, for a total of \$369,000 in fines.

For 2014, the overall unauthorized debit return rate was 0.028% (less than three out of every 10,000 transactions), which NACHA described as "very low."

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CO-OP Financial Services Signs Agreement to Acquire Interest in Canada-Based Everlink Payment Services

Shares to be Purchased from FIS

RANCHO CUCAMONGA, Calif. – CO-OP Financial Services has signed an agreement to purchase from a subsidiary of Fidelity National Information Services, Inc. (NYSE: FIS) its shares in Everlink Payment Services, Inc., which will give CO-OP majority ownership of the Canadian payments solutions and services provider to credit unions, banks and ISOs in Canada.

A subsidiary of FIS (www.fisglobal.com) and CO-OP (www.co-opfs.org) have signed a definitive agreement on the transfer of Everlink shares, subject to contractual closing conditions.



CO-OP does not currently hold shares in Everlink (www.everlink.ca), based in Markham, Ontario, about 20 miles outside of Toronto. Upon closing, the Rancho Cucamonga, Calif.-based company will join minority-owner Celero Solutions (www.celero.ca) of Calgary, Alberta, as the two shareholders of Everlink. Celero is a service corporation providing information technology solutions to credit unions and other financial services organizations across Canada.

"Everlink provides a broad range of payments solutions, including card issuance, fraud management, ATM managed services, point-of-sale and debit payment processing primarily for credit unions, which are

and check payment processing primarily for credit unions, which are similar businesses to that of CO-OP,” said Stan Hollen, President/CEO of CO-OP. “We have had a limited presence in Canada. The acquisition of an interest in Everlink enables us to expand our network to clients throughout North America. In fact, we see this investment as a foundation step to a comprehensive North America-wide network and processing solution for credit unions, making it even more convenient for members in both Canada and the U.S. to use ATMs and their debit cards.”

“The purchase of our Everlink shares by CO-OP is an outgrowth of FIS’ close working relationship with CO-OP, which now extends back more than 25 years,” said Bruce Lowthers, Executive Vice President, North American Retail Payments, FIS. “We look forward to continuing a successful association with Everlink as both a customer and provider of services.”

“CO-OP’s purchase of FIS’ position in Everlink helps ensure that this valuable asset to the credit union movement remains within the industry’s ownership,” said Hollen. “We foresee inviting other Canadian cooperatives into ownership participation of Everlink to further contribute to the growth of our movement and offer consumers the best option among competing financial institutions.”

There are approximately 700 credit unions and caisses populaires with more than 10 million members in Canada.

For more information, visit www.co-opfs.org.

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Mark Your Calendars for These Upcoming VirtualCorps Webinars!

VirtualCorps.com™

[May 12th -- Millennials Want Access to... Products and Services We Don't Have?](#)

Presented by: Scott Butterfield

The Millennial generation is critically important for us. We can’t afford to skip a generation; we’re toast without them. This session is focused on the products needed to attract and retain Millennials, and the conversation will include Alternative Financial Services, which include prepaid debit cards, check cashing, and payday loans. Sure this generation wants convenient access and technology (the more the better), but they also want access to products they value.

[May 19th -- Big, Balanced and Sustainable Loan Growth](#)

Presented by: Mike Dorsett

While some credit unions are experiencing loan growth, many continue to struggle, and the concept of “balanced” loan growth is even more elusive. This program will help you to understand how to diversify your loan portfolio. A universal credit administration program

creates an infrastructure for big, balanced, and sustainable loan growth and should include an evaluation of loan quality, origination methods and delivery channels, cross-selling success, sales training and talent assessment, employee goals and evaluations, incentives, data mining, marketing plans and loan promotions, lobby referrals, competitive landscapes, systems and processes, onboarding and retention programs, loan policy review, surveys, lending scorecards and so much more!

[June 9th -- Basic ALM Education for Board Members and Leaders](#)

Presented by: Dr. Randy Thompson

Interest Rate Risk (IRR) and asset liability management (ALM) are critical elements of risk that receive close and regular scrutiny from regulators. This is because IRR and ALM have such an impact on the viability of a credit union. Recent regulatory changes have added responsibilities for management and board members in relation to IRR and ALM. This Webinar will highlight key regulatory expectations and discuss methods for meeting them. It will also provide discussions of concepts that are foundational to these areas of risk.

[June 16th -- Strategic Planning Prep for Small to Mid-Sized CUs](#)

Presented by: Scott Butterfield

Successful credit unions all have at least one thing in common...They have solid strategic plans. Effective strategic plans emerge from well-thought out and executed strategic planning sessions. The strategic planning meeting is the opportunity for the board and management to make an honest assessment of what's working, examine the environment, get grounded on core principles and values, and agree upon the highest strategic priorities. This Webinar will provide a practical approach to structuring a successful and meaningful format for your next strategic planning meeting.

[June 23rd -- Negotiating Your Executive Compensation Package](#)

Presented by: Jonathan Cerrito

Are you receiving all of the executive employment protections you deserve? Do you understand the various ways to structure and negotiate executive compensation? As a credit union executive, you want the security and protection of understanding what happens during each phase of the employment relationship. Regardless of whether you are entering, exiting or maintaining the relationship, there are opportunities for you to negotiate an employment framework.

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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CU Relief Priorities Highlighted for Senate Panel Study

WASHINGTON – In response to a Senate panel's effort to review the effects of federal regulations, CUNA submitted a letter to leadership of the U.S. Senate Committee on Homeland Security and Governmental Affairs Thursday.

CUNA highlighted more than a dozen suggested regulatory reforms, including:

- Improvements to NCUA and Consumer Financial Protection Bureau (CFPB) rulemaking processes, which would include a required cost-benefit analysis of all proposals;
- Amendments to the CFPB's mortgage servicing rules, such as increasing the small servicer threshold to 10,000 loans per year, up from 5,000. CUNA also believes the bureau should limit new regulatory requirements with its prepaid accounts and remittance transfers proposals;
- Exempting credit unions from the Department of Defense's Military Lending Act proposal, Financial Accounting Standards Board credit impairment proposal and Internal Revenue Service's Foreign Account Tax Compliance Act [proposal](#);
- Improvements to NCUA's Central Liquidity Facility (CLF) to eliminate the requirement it be funded by stock subscriptions paid for by member credit unions, and allowing credit unions to obtain CLF loans for short-term and longer-term liquidity purposes; and
- Suggesting NCUA work with the Treasury's Financial Crimes Enforcement Network and other regulators to exempt credit unions from "seemingly endless changes" to Bank Secrecy Act and anti-money laundering requirements.

The letter also addressed issues with the NCUA's revised risk-based capital proposal (RBC2), as well as other ways the NCUA can work with other regulators to clarify each regulator's authority over the Federal Trade Commission Act and its implementing regulations.

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New BizKid\$ 'Did You Know?' YouTube Videos Highlight Resources for CUs

Tools Enhance Youth Financial Literacy Efforts

MADISON, Wis. – The National Credit Union Foundation (the Foundation) has released 10 short "Did You Know?" video clips to help credit unions learn about the many resources the Biz Kid\$ Web site has to offer.



This new [YouTube playlist](#) collects the videos that demonstrate all the benefits that the [Biz Kid\\$ website](#) provides. These 10 video clips include insight into Biz Kid\$ Family Activities, Community Toolkits, the Biz Kid\$ Blog and more.

“The Biz Kid\$ Web site is a great free resource for parents, teachers, and kids looking to enhance their financial literacy education and programs.” said Danielle Brown, the Foundation’s Director of Development & Donor Relations. “We encourage credit unions to check out all the tools that Biz Kid\$ provides to help improve and engage youth in financial education.”

Biz Kid\$ - Teaching Kids about Money & Business

Biz Kid\$ is a financial literacy initiative launched nationally in January 2008 that teaches kids about money and business. The initiative includes an award-winning TV series, free classroom curriculum, outreach activities, and a website targeting children 9 – 16 years old. The Foundation is responsible for the fundraising and outreach of the program, and a coalition of over 300 credit unions and affiliates from across the country have helped exclusively fund Biz Kid\$.

Many credit unions leverage Biz Kid\$ to teach financial education in schools in their community. In addition to the Foundation’s [box sets and starter kits](#), companion materials and other resources for teachers and parents are available at no cost on the Biz Kid\$ website, [bizkids.com](#).

For more information about Biz Kid\$, [click here](#).

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Senate Banking Committee to Vote Reg. Relief Measures May 14

WASHINGTON – The U.S. Senate Banking Committee will hold a full committee markup on regulatory relief matters May 14, according to the committee's schedule that was released Thursday.

While it's unclear what will be discussed at the meeting, CUNA has testified before the committee in recent months with dozens of regulatory relief suggestions to aid credit unions in better serving their members.

Previous to a Feb. 12 hearing in which CUNA testified on the need for regulatory relief, the Senate Banking Committee conducted a hearing with federal financial regulators seeking input on potential regulatory

relief solutions as well.

CUNA is also working to collect real-life examples of regulatory burden to submit to the Senate Banking Committee, as requested by the committee at the February hearing.

The markup is scheduled to begin at 10 a.m. (ET) May 14.

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TROL Act a Positive Step, But Improvements Needed, According to CUNA

WASHINGTON – A bill to clarify Federal Trade Commission (FTC) authority to fight abusive patent assertion entities (PAEs) is a positive step forward but is in need of improvement, CUNA believes.

The Targeting Rogue and Opaque Letters (TROL) Act of 2015 was the subject of a Thursday hearing by the U.S. House Energy and Commerce subcommittee for commerce, manufacturing and trade, to which CUNA and other organizations submitted a letter for the record.

The [TROL Act](#) would clarify the FTC's authority to fight deceptive practices while not affecting legitimate patent-holders to assert their patent rights. The FTC, along with state attorneys general, could remove financial incentive to send intentionally vague demand letters in hope of quick settlements.

CUNA and the organizations made several suggestions in the letter to strengthen the legislation. This includes removal, or expansion, of the bill's definition of "bad faith" to help more small businesses fall under the bill's protection.

The bill should also allow states that have enacted laws to discourage bad faith demand letters to continue to use those laws to protect credit unions, banks and other small businesses, as well as consumers, the letter says.

In addition to CUNA, the letter was signed by the American Bankers Association, Clearing House Payments Co., Financial Services Roundtable, Independent Community Bankers of America, and National Association of Federal Credit Unions.

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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

April 23 -- [BSA Training for Frontline Staff \(AM Session\)](#)

April 23 -- [BSA Training for Frontline Staff \(PM Session\)](#)

April 27 -- [Webinar: Important SAR Procedure Updates from the Revised BSA/AML Examination Manual](#)

May 12 -- [VirtualCorps Webinar: Millennials Want Convenient Access to...Products and Services We Don't Have?](#)

May 13 -- [NJ DNA Meeting at Credit Union of New Jersey](#)

June 19 -- [Compliance Conference: Managing Dynamic Change](#)

Industry Events

April 22 -- [NCUA Financial Literacy Twitter Chat](#)

April 22 -- [NCUA Financial Literacy Webinar: Your Mission into Action: Developing Financial Literacy and Savings Programs for Youth](#)

April 28 -- [NJCUL's 27th Annual Golf Tournament](#)

May 15 -- [Reality Fair at Barringer High School Academy of the Arts and Humanities](#)

May 18 -- Greater Alliance FCU Golf Outing at Apple Ridge Country Club in Mahwah, NJ

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

May 29 -- [New Jersey Credit Union Foundation 5th Annual Casino Night](#)

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

July 30 -- [American Dream 5K Sponsored by Affinity FCU](#)

September 28 -- Picatinny Federal Credit Union 17th Annual Golf Outing

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

November 6-8 -- [DCUL's 2015 Volunteer Leadership Conference](#)

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