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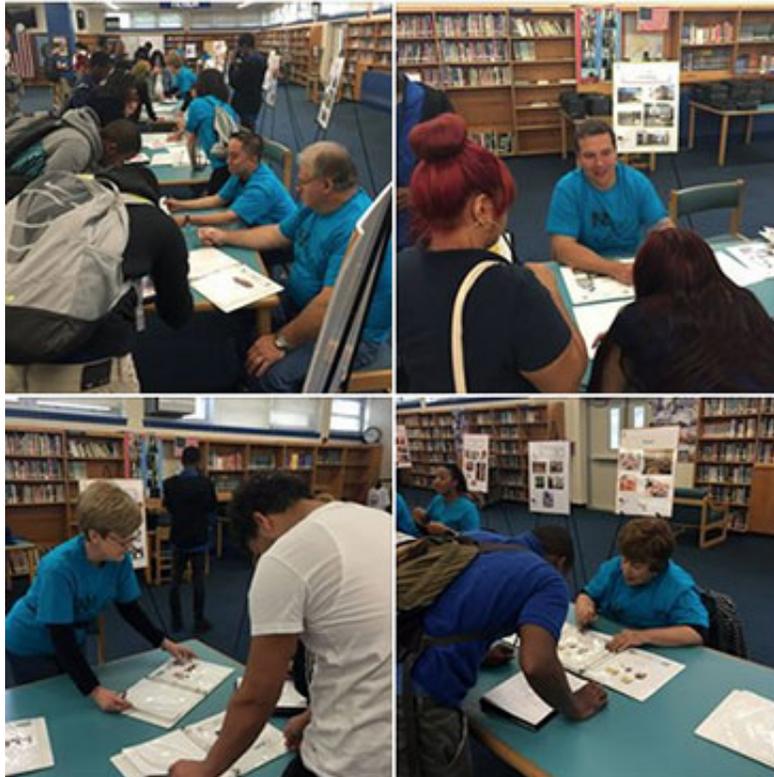
May 18th, 2015

Today's News:

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Credit Unions Collaborate to Bring Reality Fair to Barringer High School

NEWARK, N.J. – Atlantic FCU and Garden Savings FCU teamed up for the second year in a row to bring the hands-on Reality Fair program to the students of Barringer High School in Newark.



Cybersecurity Webinar
Scheduled for Wednesday,
Still Time to Register
> Credit Unions, Mark Your
Calendars



Join the NJ CU
Foundation for its
5th Annual Casino
Night May 29th!

[Registration materials](#) for
the NJ CU Foundation's
Casino Night are now
available!

The event will be held on
Friday, May 29th at 6 p.m.
at the Renaissance
Woodbridge Hotel in
Iselin, N.J.

Join us and support a
great cause!



A total of around 200 students from both the S.T.E.A.M. Academy and the Academy of Arts and Humanities of Barringer High School came to the Fair held in the two schools' common library.

Students of all grade levels traveled to each of the lifestyle booths manned by credit union volunteers from sponsoring credit unions Atlantic FCU and Garden Savings FCU as well volunteers from the League, Credit Union of New Jersey, and Liberty Savings FCU.

The Reality Fair program will make three more stops this school year. On May 21st, ABCO FCU will bring the program back to Shawnee High School; on June 5th, Members 1st of NJ FCU and Bay Atlantic FCU will team up and bring the program back to The Wallace School; and Credit Union of New Jersey will bring the program back to Ewing High School on June 10th.

If you'd like to volunteer for any of the Fairs mentioned above, please contact Marissa Anema at manema@njcul.org or 800-792-8861 ext. 117.

To view more photos from the event, visit the NJ Credit Union Reality Fairs [Facebook page](#).

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CUNA, Bank Letter Urges Bipartisan Reg Relief Action

WASHINGTON – Credit unions and bankers have come together to strongly urge the U.S. Senate Banking Committee to find bipartisan agreement and congressional action to provide regulatory relief for financial institutions.

"Regulatory relief is critical for America's credit unions," said CUNA President/CEO Jim Nussle commenting on the joint letter sent Friday. "Bipartisan cooperation will be essential toward passage of these important reforms."

CUNA, NAFCU, the American Bankers Association, and the Independent Community Bankers of America underscored:

- Nearly 14,000 financial institutions of all charter types are struggling with an onerous and growing regulatory burden.
- It is suffocating their true potential to spur economic growth, create jobs, help consumers purchase a home and benefit consumers by helping to meet their financial goals.
- The U.S. Congress must act in a bipartisan manner to address the "real-word" issues faced by credit unions and banks.

The letter notes that a regulatory relief package just unveiled by Sens. Richard Shelby (R-Ala.), chair of the banking panel, and Sherrod Brown (D-Ohio), its ranking member, "is an important step" to addressing the regulatory barriers that stymie credit unions and banks from "more fully serving the diverse financial needs of the American consumer."

The Senate package contains three credit union specific regulatory

Upcoming Events:

May 19, 2015
VirtualCorps Webinar: Big, Balanced and Sustainable Loan Growth
3:00 pm to 4:30 pm
[More Information Click Here](#)

May 20, 2015
Webinar: Advanced ACH Specialist Series: ACH Death Notification Entries (DNEs) & Reclamations
3:00 pm to 4:30 pm
[More Information Click Here](#)

May 21, 2015
Reality Fair at Shawnee High School
Location: Medford, NJ
10:00 am to 2:00 pm
[More Information Click Here](#)

Contact Us:

Address

299 Ward Street
Hightstown, NJ 08520
Driving directions

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The Senate package contains three credit union-specific regulatory relief provisions, as well as more than a dozen other relief items that benefit credit unions. Shelby's much-anticipated bill is expected to be marked up by the Senate Banking Committee Thursday.

On the House side, there is a series of CUNA-supported relief proposals that address many of the same issues as does Title I of the Shelby bill.

Each member of the Senate Banking Committee was copied on the joint trade group letter. It concluded: "We stand ready to work with you and members of the committee from both sides of the aisle with the goal of developing a product that provides meaningful, bipartisan relief."

The trade groups often join to send letters of support for legislation, but rarely are they sent jointly on regulatory relief.

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First Financial FCU Presents Annual Employee Service Award to President/CEO Issa Stephan

WALL, N.J. – First Financial Federal Credit Union recently held its annual meeting at its corporate headquarters in Wall, N.J., where President/CEO Issa Stephan of Freehold, N.J. was presented with a 10 year employee service award.

Issa E. Stephan, CCUE, CUERME, is President/CEO of First Financial Federal Credit Union. Mr. Stephan is responsible for the successful re-branding of First Financial's identity and image to support its community charter in both Monmouth and Ocean counties, resulting in a vast new array of products and services for a stronger than ever position for the entire First Financial family.



He currently serves on the board of Monmouth University's Institutional Review Board as their Community Representative. He is a member of the New Jersey Credit Union League's Professional Service Group Board. He served on the New Jersey Credit Union League's Board of Directors and Political Action Group Committee, CUNA's Technology Council, and the Texas Credit Union League's Political Action Committee. Mr. Stephan also served on the board of directors of Monmouth and Ocean Development Council ("MODC").

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Compliance: Effective Dates, TRID Q&A Part of CompBlog Wrap-Up

WASHINGTON – A list of final rule effective dates through the end of



WASHINGTON – A list of final rule effective dates through the end of the year, as well the latest on CUNA compliance staff Q-and-A posts, highlight this month's *Comp Blog Wrap-Up*. The [Wrap-Up](#) is a monthly recap of the top posts from CUNA's [CompBlog](#).

Both the Consumer Financial Protection Bureau's (CFPB) temporary suspension of credit card agreement submission obligations and the bureau's homeownership counseling rules became effective in April.

Effective dates through the rest of the year include:

- June 5: National Credit Union Administration corporate credit unions rule. The rule extends corporate credit unions' maximum secured borrowing term to 180 days from 30 days and allows surviving corporate credit unions to count retained earnings acquired in mergers going forward;
- July 6: NCUA associational common bond rule. Twelve new preapproved groups will be granted automatic inclusion, as well as a number of technical amendments and corrections;
- July 18: Federal regulators higher-prices mortgage appraisals and modified exemptions for loans secured by manufactured homes. The rule exempts transactions secured by existing manufactured homes and not land from the regulation implementing the Truth in Lending Act;
- Aug. 1: CFPB Truth in Lending Act-Real Estate Settlement Procedures Act integrated disclosures (TRID) rule. The rule provides for a universal set of forms to be used during the mortgage process, forms that clearly outline the associated costs of the loans for a borrower; and
- Dec. 31: Internal Revenue Service Foreign Account Tax Compliance Act withholding and documentation. Withholding agents other than participating foreign financial institutions (FFIs) will be required to document payees other than prima facie FFIs.

Another joint federal financial regulators rule that sets minimum requirements for state registration and supervision of appraisal management companies will become effective 60 days after it is published in the *Federal Register*, which is expected shortly.

The *Wrap-Up* also breaks down the Q-and-A posts from CUNA compliance staff during the month of April, most of which concern the TRID rule.

During the month of April, staff answered questions on revised loan estimate, the Equal Credit Opportunity Act appraisal disclosure, whether revisions are needed after a refund, vendor test software, emailed loan estimates and mortgage application fees.

Other items included in the *Wrap-Up* include:

- The latest from the CFPB regarding homeowner counseling, credit card agreements, military allotments and overdrafts;

- Information on the U.S. Bureau of Fiscal Service beginning to hold financial institutions liable for incorrect automated clearinghouse enrollment information; and
- CUNA regulatory calls to action.

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Breach Debate Must Be All About Protecting Consumers, Says CUNA for Hearing Record

WASHINGTON – CUNA submitted a statement, both solo and jointly with its coalition partners, last week to the U.S. House Financial Services Committee on the issue of data security. The committee held its first hearing on data security since the massive Target data breach in late 2013, and CUNA's letters were sent for the hearing's record.

"We encourage you to ignore the excuses, attempts to pass blame, and efforts to make this a fight between business sectors," CUNA President/CEO Jim Nussle wrote. "The debate on data security should be about protecting sensitive financial information, ensuring consumers feel confident that their data is secure, whether it's where they shop, or at their financial institution."

Nussle added that credit union responses to protect members in the wake of a breach, such as reissuing cards and notification, do not come without costs and can make a significant difference in the bottom line of not-for-profit institutions. This could interfere with the ability to offer services to members.

Rep. Jeb Hensarling (R-Texas), chair of the committee, said it is time for Congress to step up and make progress when it comes to protecting consumers.

"Consumers shouldn't be left to simply hope and pray their personal information will be safe every time they swipe their debit or credit card or enter their information online," he said during his opening statement at the hearing. "They deserve protection."

CUNA urged the committee to pass the Data Security Act of 2015 (H.R. 2205), which would ensure that all entities that handle consumers' sensitive financial information have a robust process in place to protect data, thereby preventing data breaches.

CUNA has strongly supported H.R. 2205, which it calls a proactive approach, to help those without sufficient standards in place to establish those standards and drastically reduce the number of breaches.

From January 2005 to the present, more than 5,000 data breaches exposing more than 800 million records have occurred nationwide, according to the Identity Theft Resource Center. More than 100 million records have been exposed between January and May of this year alone.

According to the center, the retail sector accounts for the most

breaches, at nearly 40%.

CUNA and the state leagues have issued a renewed Call to Action in support of the bill, as well as the Senate companion bill (S. 961).

The bills recognizes that it is not necessary to duplicate data protections in place by financial institutions, which are required under the Gramm-Leach-Bliley Act, and it would replace the current patchwork of state and federal data breach regulations with a strong national standard.

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The nationwide [Stop the Data Breaches](#) Call-to-Action has been renewed. CUNA and the NJCUL are encouraging all credit union professionals, volunteers and members to [email](#) their lawmakers in Congress today, even if they've done so already!

Register Today for the Compliance Conference!

2015 LEAGUE COMPLIANCE CONFERENCE

Friday, June 19, 2015

Holiday Inn of East Windsor Conference Center

8:30 a.m. - 4:00 p.m.

HIGHTSTOWN, N.J. – Registration is now open for NJCUL's 2015 Compliance Conference "Managing Dynamic Change" taking place Friday, June 19th at the Holiday Inn of East Windsor. [Click here for the full brochure.](#)

**Early Bird
Special!
Register by
May 29 for
10% off.**

Hear from Gaye DeCesare of Compass 4 CUs, LLC on Compliance Hot Topics and TILA/RESPA Integrated Disclosures, hear from NCUA examiners on DORs and Supervisory Guidance, attorney Drew Edwards on Exposure to Lender Liability, Lawsuits and Losses, and more!

Register early! There is a discount of 10% off if you register before May 29th! To register, fill out the [Registration Form](#) and email to mzelinsky@njcul.org or call 1-800-892-8861, ext. 100. [Or register online here.](#)

Earlybird pricing is based on credit union asset size as follows: \$188.10 per person for credit unions above \$150 million, \$134.10 per person for credit unions \$50 – \$150 million, and \$62.10 per person for credit unions under \$50 million. After May 29th, these prices go up, so register ASAP!

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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Reps, Witnesses Commend GLBA Breach Standards During Hearing

WASHINGTON – Several lawmakers and witnesses at a U.S. House Financial Services Committee hearing on data security Thursday agreed the strong data security standards spelled out for financial institutions by the Gramm-Leach-Bliley Act (GLBA) would help stop data breaches if applied universally.

CUNA is a strong advocate for applying those standards to other entities, particularly merchants that handle consumer data.

Tim Pawlenty, former congressman and governor and current president/CEO of the Financial Services Roundtable, said applying GLBA standards to other sectors would decrease overall risk, as it has done for credit unions and banks of all sizes.

“A flexible standard that is adaptable to both the size of the entity and the changing nature of data security technology is the most common-sense approach,” he said. “Such a standard has served the financial service sector and its customers well.”

Rep. Carolyn Maloney (D-N.Y.) asked if GLBA standards have been overly burdensome to small financial institutions, and Pawlenty said it has not been, indicating that a similar standard would not be too overly burdensome for small businesses.

Rep. Robert Pittenger (R-N.C.) said he believes the Data Security Act of 2015 (H.R. 2205), which CUNA supports, allows for the development of a comprehensive data breach program that can be appropriately flexible as to be scaled to different entity sizes.

Others witnesses on the panel, said they believed H.R. 2205 would provide a good framework for data security.

“I believe H.R. 2205 is the ideal vehicle for identifying inconsistent and incompatible state laws to address how we let consumers know when something goes wrong,” said Jason Oxman, CEO of the Electronic Transactions Association.

In his written testimony, Pawlenty outlined four principles that should guide any legislation, principles that closely align with those CUNA and other financial trade organizations sent to Congress in February.

Witness Brian Dodge, from the Retail Industry Leaders Association, argued against the standards being applied to the retail industry saying the current environment should remain, and that enforcement by the Federal Trade Commission is adequate.

However, according to the Identity Theft Research Center, the retail sector accounts for the most data breaches, nearly 40% of breaches in 2015.

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Data Breach Costs Will Soar to \$2T, Market Analysis Firm Predicts

HAMPSHIRE, U.K. – In less than five years, the annual cost of data breaches at the global level will skyrocket to \$2.1 trillion, according to recent data from Juniper Research, a U.K.-based market analysis firm.

Driven by the rapid digitization of consumerism, in 2019, data breaches will cost four-times that of the estimated cost for 2015.

Further, despite the emergence of more sophisticated methods used by cybercriminals to target mobile devices, the report found that traditional computing devices will continue to see the highest rate of attack.

“Currently, we aren’t seeing much dangerous mobile or Internet of Things (IoT) malware because it’s not profitable,” said James Moar, the report’s author. “The kind of threats we will see on these devices will be either ransomware, with consumers’ devices locked down until they pay the hackers to use their devices, or as part of botnets, where processing power is harnessed as part of a more lucrative hack. With the absence of a direct payout from IoT hacks, there is little motive for criminals to develop the required tools.”

The report, called “[The Future of Cybercrime & Security: Financial and Corporate Threats & Mitigation](#),” also discusses how professional cybercrime continues to grow, especially with the proliferation of cybercrime products such as malware creation software.

Casual hackers, on the other hand, have been on the decline over the past year.

The report also notes that nearly 60% of anticipated data breaches in 2015 will occur in North America, but as other countries across the globe continue to develop that share will drop and the average cost of a data breach will surpass \$150 million by 2020.

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Reminder: NCUA Cybersecurity Webinar Scheduled for Wednesday. Still Time to

Register

ALEXANDRIA, Va. – Credit unions interested in the latest cybersecurity information can still [register](#) for NCUA's webinar scheduled for Wednesday from 2 to 3:30 p.m.

Agency staff will participate in a panel discussion with cybersecurity experts to discuss the NCUA's collaboration with the Federal Financial Institutions Examination Council to develop a self-assessment guide for credit unions to use.

Other topics include statistics on credit unions losses due to cybercrime, why password protection is outdated, precautionary measures and the consequences if information is exposed.

The webinar will include information about NCUA's new \$7,500 cybersecurity grants for qualified low-income 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

May 19 -- [VirtualCorps Webinar: Big Balanced and Sustainable Loan Growth](#)

June 6 -- [Small Credit Union Conference: Driven to Succeed](#)

June 9 -- [VirtualCorps Webinar: Basic ALM Education for Board Members/Leaders](#)

June 16 -- [VirtualCorps Webinar: Strategic Planning Prep](#)

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

June 13 -- [VirtualCorps Webinar: Negotiating Your Executive Compensation Package](#)

Industry Events

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

May 21 -- [Reality Fair at Shawnee High School](#)

May 27 -- [Southern Chapter Meeting: Cyber Security](#)

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 9 -- [North-Central Chapter Meeting: NJ CU Legislation](#)

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](#)

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

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

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