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### CUs Remain a Leader in Customer Service and Trust, According to Temkin Survey

WABAN, Mass. – Credit unions continue to beat banks (and many other businesses outside of the industry) when it comes to consumer trust, according to the results of the 2015 Temkin Customer Service Ratings and Trust surveys.

In terms of trust, consumers rated credit unions higher than any other business or organization, sharing the top spot with the H-E-B supermarket chain.

Credit unions scored an 80% on [Temkin's](#) trust rating scale, while TD Bank, the highest-rated bank (No. 36), scored a 66%.

The survey asked roughly 10,000 consumers to identify and rate companies they had interacted with during the previous 60 days.

As for customer service, consumers rated credit unions third, after Chick-fil-A and USAA, which took the top spot for the third straight year. Credit unions shared the third spot with the grocery store chains Aldi and Trader Joe's.

Financial institutions rated third as an industry overall for customer service, posting a score below 60%. With a 74%, credit unions helped push higher that final total, while the top-rated bank, Sun Trust Bank, scored a 67%.

Additional highlights:

- Supermarkets, retailers and banks, as an industry, earned average ratings of "strong" while TV service providers and Internet service providers earned an average rating of "very

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## Foundation Casino Night Only Days Away!

[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!



Internet service providers earned an average rating of "very weak;"

- Six industries improved between 2014 and 2015, while 13 declined; and
- On average, hotels and computers increased the most between 2014 and 2015, while supermarkets, rental car agencies and major appliances dropped the most.

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## New Senate Bill for Residential Loan Parity has CUNA, League Support

WASHINGTON – A bill introduced by Sen. Ron Wyden (D-Ore.) would provide credit unions with regulatory relief and help small businesses has CUNA's support. The bill (S. 1440) would exempt from the credit union member business loan (MBL) cap loans to purchase a one- to four-unit, non-owner occupied residential dwelling.

Currently those types of loans at credit unions are classified as business loans and are therefore subject to the cap of 12.25% of assets. However, when banks make the same loans, they are classified as residential real estate loans.

Wyden said in a statement that the bill would increase opportunities for small businesses to receive loans from credit unions by eliminating an "unfair hurdle" to much-needed capital.

CUNA believes enactment of this legislation would enable credit unions to extend credit to borrowers seeking to purchase residential units, including low-income rental units, thereby better meeting the needs of their members. It would also contribute to the availability of affordable rental housing.

The modification would also be consistent with the treatment of these loans by NCUA's revised risk-based capital proposal, which would assign the loans a lower risk weight compared with other business loans.

"Sen. Wyden's bill would be a huge relief to our members who very much want to provide capital for small business," said Troy Stang, president/CEO of the Northwest Credit Union Association (Anthem May 26). "We strongly support this legislation and will work side-by-side with Sen. Wyden to pass this essential measure."

CUNA will submit a letter of support for the legislation this week.

Reps. Ed Royce (R-Calif.) and Jared Huffman (D-Calif.) introduced the House equivalent to the bill (H.R. 1422) in March. According to Royce, the bill would allow credit unions to lend an additional \$11 billion to small businesses.

CUNA President/CEO Jim Nussle praised H.R. 1422, saying the legislation would enable credit unions to better meet the needs of their members and contribute to the availability of affordable rental housing.

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## Upcoming Events:

**June 4, 2015**

**Free Information Webinar  
on "It's a Money Thing"**

**AM: 10:00 am to 11:00 am**

**PM: 3:00 pm to 4:00 pm**

[More Information Click Here](#)

**June 6, 2015**

**Small Credit Union  
Conference**

**Location: NJCUL**

**8:30 am to 3:30 pm**

[More Information Click Here](#)

**June 9, 2015**

**North-Central Chapter  
Meeting: NJ CU Legislation**

**Location: The Barge, Perth  
Amboy, NJ**

**10:00 am to 2:00 pm**

[More Information Click Here](#)

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## CUNA Outlines TNC Priorities Prior to FTC Workshop

WASHINGTON -- While many states consider legislation that would apply to transportation network companies (TNCs) such as Uber or Lyft, CUNA has written to the Federal Trade Commission (FTC) outlining its priorities and areas of concern regarding some TNC operational practices.

In particular, CUNA is concerned that credit unions receive the right statutory protections to prevent exposure to losses in their role as lienholders on vehicles used by TNC drivers.

CUNA's comments were submitted in advance of a June 9 FTC workshop that will discuss elements of the modern "sharing" economy, including TNCs.

CUNA has encouraged states to require TNC drivers to have comprehensive and collision insurance through all three phases of TNC operation: when the app is activated, but driver and passenger are not matched; when a match is made and the driver is en route to the passenger; and when the passenger is being transported.

Currently, insurance is generally provided during the final phase, but not during the first two. Should a TNC driver get in an accident during the uncovered periods, a personal insurance policy may not cover damages and the collateral against the lien may be jeopardized.

CUNA supports state legislation that would:

- Require drivers using personal vehicles with liens on them to provide proof to lienholders and TNCs that they have comprehensive and collision insurance that provides coverage during all periods;
- Require coverage of at least \$50,000 per person for death/bodily injury, \$100,000 per incident for death/bodily injury and \$25,000 for property damage during period one;
- Require coverage of \$1 million when the driver is engaged in a prearranged ride, periods two and three;
- Require a TNC's insurance to cover claims if a driver's insurance lapses or does not meet the required coverage; and
- Require TNCs to disclose to drivers that the driver's personal insurance policy may not provide coverage when the driver is engaged in TNC activities.

Uber and several major insurance companies such as Allstate, Farmers Insurance, State Farm, Nationwide and USAA have recently announced model TNC insurance legislation. This model does not require drivers to have comprehensive and collision insurance coverage for personal vehicles with liens on them.

CUNA is also serving as a clearinghouse for TNC legislation related expertise, guidance and other information at the state level as

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legislation moves forward.

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## Share Your CU's Community Outreach and Fundraising Efforts with CUSocialGood.com

CUSocialGood.com is a Web site that compiles "good news" stories of credit unions across the nation. There you will find stories of credit unions and credit union people being involved in their communities – helping charities, promoting financial literacy, providing scholarships, and supporting people and planet over profit.

You are welcomed and encouraged to contribute stories from your credit union, to comment on stories, and engage in discussion about how credit unions can and do help people and their communities. Stories can be about charitable giving, community outreach, CU4Kids fundraising, financial literacy education, and much more.

Visit [www.CUSocialGood.com](http://www.CUSocialGood.com) to check out the site and other credit union stories. To submit your credit union's stories, visit [www.cusocialgood.com/your-cu-social-good](http://www.cusocialgood.com/your-cu-social-good).

CUSocialGood can also be followed on Twitter at the handle [@CUSocialGood](https://twitter.com/CUSocialGood).



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## Data Breach Costs, Resources Discussed During NCUA Webinar

ALEXANDRIA, Va. – Sobering statistics on cybercrime combined with a vast array of resources to combat it were highlighted last week during an NCUA webinar.

According to a study of cybercrime claims conducted by Netdiligence, the average cost per data record exposed was \$956.21 in 2014. The median number of records lost in 2014 during a breach was 3,500, which means the average breach cost the company more than \$3.3 million.

In 2014, the average payout for a cybersecurity insurance claim was \$733,109, the average cost for crisis services was \$366,484 and the average cost for legal defense was \$698,797.

These numbers make it essential for credit unions to ensure they have a robust data security protocol in place to protect information, but also to be notified of any breach as soon as possible.

Chris Gill, a risk management consultant for CUNA Mutual Group, said during the presentation that there are a number of external and internal ways systems can be breached. Hacking is the most frequent cause of loss, at 30% of instances in 2014, but inside involvement was involved in 32% of data breach claims that year.

“The most secure credit unions are making a greater investment in people, as they learn that managing what goes through the network really is a full-time job given the regularity with which hackers can get through perimeter defenses,” he said. “Continuous monitoring provides that extra layer of security and helps us to remain vigilant when preventive measures fail.”

Of those in attendance, 52.7% of credit unions said they had developed a cybersecurity policy, 39.8% said they had not (the remaining 7.4% were not directly affiliated with a credit union).

Tim Segerson, deputy director for the NCUA’s Office of Examination and Insurance, recommended credit unions look to public and industry cybersecurity models, as well as the Federal Financial Institution Examination Council’s [IT Handbook](#) and the National Institute of Science and Technology’s Cybersecurity [Framework](#) to create an effective cybersecurity risk management policy.

An archived, closed-captioned version of the webinar will be posted to the agency’s website in approximately three weeks.

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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.



**VirtualCorps Webinar will Offer Basic ALM Education for Board Members and CU Leaders**

**VirtualCorps.com™**

**VirtualCorps Webinar:**

**Basic ALM Education for Board  
Members/Leaders  
Tuesday, June 9, 2015  
3 p.m. to 4 p.m.**

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.

The June 9th VirtualCorps Webinar “Basic ALM Education for Board Members/Leaders” 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.

It will also cover:

- What are interest rate shocks and what causes them
- What is happening in the economy and how will these things effect IRR
- What leaders can do to meet regulatory expectations
- Samples of simulations and dynamic analysis

**Time:** 3 p.m. to 4 p.m.

**Cost:**

Live Webinar Only: \$99

Recorded Version Only: \$99

Live Webinar & Recorded Version: \$125

**Registration**

To register and pay by check, email

Mary Zelinsky at [mzelinsky@njcul.org](mailto: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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**Check Out the NewGen Prepaid Card  
Gimme \$5 Promotion; Free Webinar June  
18th**

LSC is loading \$5 on every new NewGen Card your credit union issues to a teen with our

issues to a teen with our "Gimme \$5" promotion. This selling point will attract adult members who want to teach their teens financial responsibility. And teens will be excited to get a \$5 head start toward feeling independent and cool.

**LSC is also waving the \$2 plastic cost to your credit union for this promotion.** That makes the NewGen Card even more profitable for you.



Learn more about  
NewGen at:  
[prepaidnewgen.com](http://prepaidnewgen.com)

The "Gimme \$5" promotion **runs through June 30, 2015**, and your credit union can **offer the promotion for 60 days from the sign-up date**. Just sign up by June 30th and you can run the promotion for two months from that date.

Summer is the ideal time to market the NewGen Card, because teens will be shopping, traveling and getting together with friends. Parents will enjoy peace of mind knowing their teen can only spend the amount on the card, make a limited number of transactions each day, is safer than carrying cash and protected against fraudulent use. Plus online tools help parents teach teens financial responsibility.

**To sign up for the "Gimme \$5" promotion, contact LSC by calling 800.942.7124 or email [sales@lsc.net](mailto:sales@lsc.net).**

*\*Provided by an adult member to a teen who is at least 13 years old. The NewGen is not offered to anyone younger than 13.*

**Join LSC for a free webinar on the NewGen Card.**

LSC is offering a free webinar tomorrow, Wednesday, April 29th at 3 p.m. EDT to learn the many benefits that NewGen has to offer your members, their family and your credit union. To register, just click on the link below and you'll be directed to an easy registration form and details.

[Thurs. June 18, 2015 3:00 PM - 4:00 PM ET](#)

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## Clay, Neugebauer Intro FHLB-Membership Parity Bill

WASHINGTON – Reps. William Lacy Clay (D-Mo.) and Randy Neugebauer (R-Texas) have unveiled a CUNA-backed bill to address credit union parity in Federal Home Loan Bank (FHLB) membership rules.

Clay and Neugebauer are the ranking member and chair of the House Financial Services subcommittee on financial institutions and consumer credit.

CUNA President/CEO Jim Nussle sent a letter of support for the bill

and noted, "It is just sound policy that credit unions be treated equally to similarly sized community banks."

Currently, a Federal Housing Finance Authority (FHFA) rule exempts community banks under \$1 billion in assets from meeting a requirement of holding 10% of assets in residential mortgages on an ongoing basis to maintain FHLB membership. However, credit unions must meet that requirement. The FHFA has oversight over the FHLB system.

Clay and Neugebauer introduced H.R. 2473, which would amend the Federal Home Loan Bank Act. The new bill would ensure the eligibility requirements for similarly sized credit unions and banks are the same by including credit unions in the act's definition of "community financial institution."

"Federal Home Loan Banks are a reliable, low-cost source of liquidity for financial institutions," said Sam Whitfield, CUNA's deputy chief advocacy officer upon introduction of the bill. "During the latest financial crisis, the FHLBs served as a key liquidity source for credit unions--ensuring that their service to their members was uninterrupted."

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## USPS Financial Services Possibilities Include CU Partnerships

WASHINGTON –The Office of the Inspector General for the U.S. Postal Service (USPS) has issued a report examining the possibilities of the USPS offering affordable financial services products.

The [report](#) examines a number of approaches the USPS could take to enter into the financial services markets, including a number that involve credit unions.

CUNA believes that credit unions are currently in position to serve the underbanked, particularly with resources such as [aSmarterChoice](#), shared branching and a wide-ranging surcharge-free ATM network.

The report includes partnerships with credit unions and banks as one approach to provide products such as reloadable prepaid cards and small loans.

"Establishing partnerships could help the Postal Service handle operational and regulatory complexities, bring important expertise, and possibly provide necessary capital," the report reads, adding that credit unions' current expertise with current regulatory operational challenges could prove beneficial.

A consortium of postal-affiliated credit unions is also mentioned as a potential partner with the USPS, should it look to offer more financial services products.

CUNA Chief Advocacy Officer Ryan Donovan [participated](#) in a Pew Charitable Trusts forum last year on the topic, and echoed CUNA's position that credit unions are already well-positioned to meet the needs of the underbanked.

"We need to increase awareness among the unbanked that affordable financial services options are available and convenient through the credit union system," he said.

At the forum, Sen. Elizabeth Warren (D-Mass.) indicated that partnerships with post offices and credit unions and community banks could provide a "pathway for millions of people" to get into the mainstream financial system.

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## OSCUI Report Highlights 2014 Accomplishments

WASHINGTON – NCUA's Office of Small Credit Union Initiatives (OSCUI) had a banner year in 2014, according to the annual report of accomplishments issued last week.

OSCUI serves 70% of federal credit unions, institutions designated as small (less than \$50 million in assets), low-income, minority depository institution or newly chartered (less than 10 years of operation).

OSCUI contracted the Filene Research Institute last year to conduct an impact analysis to review every contact the office has had with credit unions over the past five years.

"My favorite finding in the study was that, although the number of small credit unions declined drastically, more than 600 of credit unions formerly considered small now show up in the 'big' category, with assets greater than \$10 million [the small credit union threshold prior to 2013]," said OSCUI Director William Myers. "We will study this success phenomenon further and bring our findings back to replicate our work with other small credit union clients."

During 2014, OSCUI also:

- Provided 389 consultations to credit unions;
- Awarded more than \$1.5 million in grants to 331 low-income credit unions;
- Trained 45,487 credit union officials, board members and volunteers; and
- Contributed to the 37% growth in the number of credit unions certified by the Community Development Financial Institutions (CDFIs) Fund as CDFIs during 2014.

OSCUI also has a monthly online newsletter, [FOCUS](#), available on NCUA's website for viewing subscription.

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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:

- 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](#)
- June 24 -- [Marketing Roundtable: Growing Loans, Attracting New Members & Increasing Share of Wallet/Penetration](#)

### Industry Events

- 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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