

Subject: The Daily Exchange -- June 16, 2015
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From: New Jersey Credit Union League <news@njcul.org>
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To: staff@njcul.org
Conversation: The Daily Exchange -- June 16, 2015

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- June 16th, 2015
- Today's News:
 - › Exhibit at the New Jersey Credit Union League's 81st Annual Meeting & Convention
 - › ELT Mandate Passes 2nd Assembly Committee
 - › Princeton FCU Recognizes 2015 Scholarship Winner
 - › Trade, FSGG, Cybersecurity Bills Set for Hearings
 - › USA TODAY: Don't Throw Away Money, Use a CU
 - › Next Tuesday's VirtualCorps Webinar Teaches Leaders How to Negotiate Executive Compensation Packages
 - › Nussle, Other FI Leaders Blog on Cybercrime in *The Hill*
 - › CUNA Mutual Group's Online Discovery Conference Available On Demand!
 - › 5 Guidelines for Social

Exhibit at the New Jersey Credit Union League's 81st Annual Meeting & Convention

**Harrah's Resort Atlantic City, NJ
October 4-6, 2015**

www.njcuconvention.com

Vendors and Business Partners: We invite you to support the New Jersey Credit Union League's 81st Annual Meeting & Convention through exhibiting and sponsorships.



As an exhibitor, you'll meet New Jersey decision makers throughout the conference. The Exhibit Hall is the focal point of our Convention. If your organization markets to credit unions or is breaking into the market, this is a great opportunity to showcase your products and services. With our 2015 theme "INSPIRE", this is your opportunity to do just that!

INSPIRE the attendees with your sponsorship, which increases visibility and enhances your company image. This year we have added some new and exciting sponsorships; sign-on early so you don't miss out.

Check out the [Exhibitor Prospectus](#) to register and view sponsorship and advertising selections. Contact Yvette Segarra at 800-792-8861 ext. 103 or at ysegarra@njcul.org with any questions.

- › Guidelines for Social Media Usage in Your Credit Union
- › OIG Makes 7 Recommendations For NCUA Data Safety During Exams
- › Credit Unions, Mark Your Calendars



Don't Miss the League's 2015 Compliance Conference June 19!

Tailored for credit union leaders, compliance professionals and stakeholders, the conference recognizes the unending pressure to achieve compliance success and to learn from and respond to challenges. We continue to look for ways to grow our organization while working smarter and more effectively, even while being bound by compliance.

[Click here to register!](#)



Don't miss this opportunity to promote your products and services to the most concentrated collection of New Jersey credit union leaders. Be there...your competition will!

Credit unions: Registration is coming soon! Keep an eye out for an announcement in the *Daily Exchange*!

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

ELT Mandate Passes 2nd Assembly Committee

TRENTON, N.J. – NJCUL-supported legislation that would require the NJ Motor Vehicle Commission (MVC) to offer electronic lien and titling within one-year received approval on a partisan line vote yesterday in the Assembly Appropriations Committee. An ELT system would replace paper liens and titles with an electronic system significantly reducing paperwork and costs for both lenders and the MVC. It would also reduce opportunities for fraud.

Pennsylvania and New York, as well as a growing number of other states, have ELT systems in place. The MVC has intended to implement ELT, but the project has been delayed due to competing information technology demands. It has adopted regulations allowing it to create an ELT system but has yet to begin developing one.

The legislation (A-3211) would require the MVC to assess whether it is able to implement an ELT system within a year of the bill's enactment. If not, then it would be required to engage an outside entity to develop a system.

ELT benefits lenders because it allows us to avoid the cost and time associated with paper liens and titles: filing, handling, mailing and perhaps most cumbersome, going physically to MVC offices with batches of paper forms to be processed. ELT benefits the State, and all of us, by reducing fraud, and can be implemented at no extra cost to the State. As important, ELT benefits consumers who will no longer have to worry about lost titles, or delays in issuing a title or releasing lien.

The Assembly bill is sponsored by Financial Institutions & Insurance Committee Chairman Craig Coughlin (D-19) and Assembly Transportation & Independent Authorities Chairman John Wisniewski (D-19). It was reported favorably by the Assembly Transportation Committee in December.

A Senate companion bill (S-2423) sponsored by Sen. Linda Greenstein (D-14) is pending committee consideration in the Senate Transportation Committee.

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

Princeton FCU Recognizes 2015 Scholarship Winner

PRINCETON, N.J. – Katherine Gerberich earned one of two \$1,000 scholarships awarded by Princeton Federal Credit Union. In the fall she will start her studies at University of the Arts in Philadelphia.

Upcoming Events:

June 17, 2015
Webinar: New Accounts Series: Properly Handling Fiduciary Accounts: Authority, Ownership, & More
3:00 pm to 4:30 pm
[More Information Click Here](#)

June 24, 2015
Marketing Roundtable: Growing Loans, Attracting Members & Increasing Share of Wallet/Penetration
10:00 am to 12:30 pm
[More Information Click Here](#)

July 8, 2015
CFO Roundtable: The Impending Interest Rate Rise
10:00 am to 12:30 pm
[More Information Click Here](#)

Contact Us:

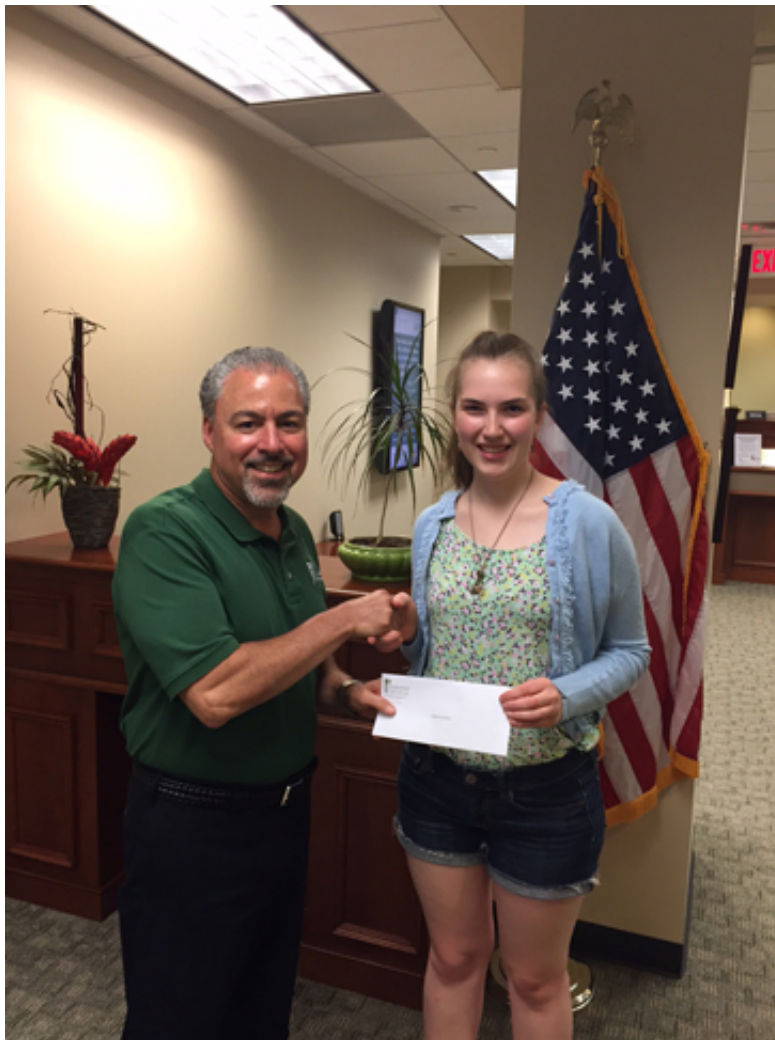
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Connect with Us:



Princeton Federal Credit Union CEO Sam Paulicelli and scholarship winner Katherine Gerberich.

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

Trade, FSGG, Cybersecurity Bills Set for Hearings

WASHINGTON – CUNA’s advocacy team is monitoring a number of bills under consideration this week on Capitol Hill.

The House of Representatives is expected to consider several bills under suspension of the rules, including reconsidering Trade Assistance Authority legislation.

Credit unions last week scored a victory when House leadership removed a troublesome provision from the trade bill, which would have required additional 1099 reporting of accounts that earned less than \$10 of interest in a year and would have required reporting on non-interest bearing deposit accounts, CUNA noted.

CUNA sent a letter to congressional leaders expressing grave concerns about the provision and worked with a coalition of state leagues, the Independent Community Bankers of America, and state banking



associations to persuade leadership to remove the provision.

On Wednesday, the House Committee on Appropriations will hold a full committee markup of the FY2016 Financial Services and General Government (FSGG) Appropriations bill, which contains the appropriations for the Community Development Financial Institutions (CDFI) Fund and NCUA's Community Development Revolving Loan Fund (CDRLF) and a number of directives affecting the Consumer Financial Protection Bureau (CFPB).

In the bill, the CDFI Fund has been budgeted \$233,523,000 and the CDRLF has been budgeted \$2 million. Both funds help community development credit unions serve low-income members.

It is expected that a report that accompanies the legislation will include language that encourages the codification of the Credit Union Advisory Council and endorses the notion—which CUNA has supported for several years—that the CFPB should be a five-person commission opposed to a single executive director.

The bill also directs the agency to ensure its rulemakings and compliance requirements are not duplicative of other regulators.

It is also expected that the committee report will encourage the CFPB to make sure that the rules they promulgate regarding overdraft protection and payday lending protect consumers but also ensure that consumers have access to those financial tools.

In other congressional action, the Senate is expected to continue its consideration of the National Defense Authorization Act for Fiscal Year 2016 (H.R. 1735), another bill that CUNA has weighed-in on. CUNA and other financial trade associations wrote a letter urging an amendment to the act that would add the text of the Cybersecurity Information Sharing Act (S 754) to the defense bill.

Two House committee hearings have been set for today:

- The House Financial Services Committee Oversight and Investigations Subcommittee will hold a hearing on "A Global Perspective on Cyber Threats;" and
- The House Financial Services Committee capital markets and government sponsored enterprises subcommittee will hold a hearing on "Legislative Proposals to Modernize Business Development Companies and Expand Investment Opportunities," H.R. 2187, the Fair Investment Opportunities for Professional Experts Act and the Small Business Credit Availability Act.

Committee hearings scheduled for Wednesday's include:

- The House Committee on Financial Services will hold a full committee hearing on "The Annual Report of the Financial Stability Oversight Council (FSOC)." It will receive testimony from U.S. Treasury Secretary Jacob Lew. FSOC was

established by the Dodd-Frank Act to identify risks to the nation's financial stability related to financial distress or failure, promoting financial market discipline and responding to emerging threats to the U.S. financial system's stability; and

- The House Financial Services Committee Monetary Policy and Trade Subcommittee will hold a hearing on "The Impact of the International Monetary Fund: Economic Stability or Moral Hazard?"

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

USA TODAY: Don't Throw Money Away, Use a CU

MADISON, Wis. – An [article](#) in *USA TODAY*'s Monday issue highlighted credit unions as one of the ways consumers can "avoid throwing money down the drain."

Paying banking fees was among 10 ways *USA TODAY* said consumers commonly waste money. Credit unions were identified as an alternative to banks.

"Credit unions typically offer free checking accounts and savings accounts with better interest rates," the article said. "If you find yourself frequently out of cash and paying charge after charge from ATMs, instead get into the habit of getting cash back from debit purchases when you are out grocery shopping."

Other "money-drainers" identified in the article included:

- Never redeeming gift cards;
- Letting Goupons expire;
- Buying tickets and not showing up;
- Paying late fees;
- Not returning unwanted goods;
- Failing to ask for a refund;
- Never disputing mistakes on a bill;
- Forgetting to follow up on a rebate; and
- Not claiming money that's yours.

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

Next Tuesday's VirtualCorps Webinar Teaches Leaders How to Negotiate Executive Compensation Packages

**VirtualCorps Webinar:
Learn How to Negotiate Your Executive
Compensation Package**

Compensation Package
Tuesday, June 23, 2015
3 p.m. to 4 p.m.

As a credit union executive, you want the security and protection of understanding what will happen 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.

Further, without the availability of equity, credit union executives must understand the various alternative forms of compensation. For example, credit unions often turn toward deferred compensation plans as the tool to attract executive talent in a competitive marketplace. However, deferred compensation plans may take a variety of forms including change-in-control agreements, retention agreements, bonus agreements, supplemental employee retirement plans and other vehicles.

Next Tuesday's VirtualCorps Webinar is designed to educate credit union executives on the various types of executive compensation arrangements and how to negotiate them with the Board.

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 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.



• Education • Development • Growth • Essentials •

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

Nussle, Other FI Leaders Blog on Cybercrime in *The Hill*

WASHINGTON – An [opinion editorial](#) in *The Hill's* “Congress Blog” that urged the U.S. Congress to act against cybercrime by passing the Data Security Act of 2015 (S. 961/H.R. 2205) provided a lot of “street credibility” weighing-in on the issue, including CUNA President/CEO Jim Nussle.

The op-ed was written by Nussle and other leaders of the Financial Services Data Security Coalition. Frank Keating, president/CEO of the

Services Data Security Coalition. Frank Keating, president/CEO of the American Bankers Association; Richard Hunt, president/CEO of the Consumer Bankers Association; Tim Pawlenty, president/CEO of the Financial Services Roundtable; Camden R. Fine, president/CEO of the Independent Community Bankers of America; B. Dan Berger, president/CEO of the National Association of Federal Credit Unions; and Jim Aramanda, president/CEO of The Clearing House.

The Hill singled out Nussle, Keating and Pawlenty for their political expertise.

“Literally hundreds of millions of debit and credit card accounts have been compromised at major retail locations,” wrote CUNA in the joint op-ed. “It is important to remember that behind each of these compromised accounts are everyday Americans who now have to deal with the raw and frightening consequences of having their virtual identity stolen. In 2014 alone, criminals stole \$16 billion from more than 12.7 million fraud victims and, not surprisingly, two-thirds of those victims can be traced to data breaches. The stakes are high. And consumers are paying the price.

“In some sectors, where the nature and sensitivity of consumer data has always been obvious, such as banking and health care, Congress long ago aligned consumer expectations with federal requirements to keep customer information safe. The reality of today’s interconnected, data-driven world means other less-obvious sectors like retail handle and store much of the same sensitive data.”

Technology and innovation “have far outpaced the existing body of laws and regulations designed to keep consumers safe. Expectations that sensitive personal and financial data is being kept safe are not being met, and Congress needs to act,” said CUNA and its partners.

The group noted the sponsors of S. 961/H.R. 2205—Sens. Roy Blunt (R-Mo.) and Tom Carper (D-Del.) and Reps. Randy Neugebauer (R-Texas) and John Carney (D-Del.)—want to ensure a customer’s sensitive personal and financial information are secure at every point in the payment process.

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

CUNA Mutual Group's Online Discovery Conference Available On Demand!

Discovery is Available on Demand Through June 30, 2015

CUNA Mutual Group’s live innovative online Discovery Conference is over, but credit unions can still have the power to experience the dynamic and relevant sessions full of tools and tips to help your credit union thrive.



Discovery is available On Demand through June 30, 2015. Register now for free access to the same great content with even more flexibility.

The conference includes:

- 12 informative booths
- 12 thought leader sessions
- 100's of downloadable resources

For more information and to register for access to this great conference, click [here](#).

[[BACK TO TOP](#)]

5 Guidelines for Social Media Usage in Your Credit Union

Social media is stronger than ever as a tool for credit unions to promote their brand to new members. There are guidelines you MUST have in place in order to stay compliant with your social media strategies, however. Here is a summary of the guidelines set forth by the FFIEC with regards to social media, as outlined by enCompass's Credit Union IT Compliance Blog:

- A financial institution should have a risk management program that allows it to identify, measure, monitor, and control the risks related to social media.
- The credit union should provide guidance for employee use of social media, regardless if the credit union participates in social media as an organization.
- The same regulations that guide the credit union in other media are applicable to social media.
- The credit union must consider reputation risk in social media through employee use of social media, consumer comments or complaints in venues controlled by the credit union, and in venues not controlled by the credit union.
- Safeguarding the credit union against fraud and brand identity is important.

[Read more here.](#)

[[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.

OIG Makes 7 Recommendations For NCUA Data Safety During Exams

ALEXANDRIA, Va. – An Office of Inspector General (OIG) audit of NCUA’s measures to protect sensitive, confidential or personally identifiable electronic credit union member information during the examination process has yielded seven recommendations.

The recommendations mean that federally insured credit unions could face a proposed rule that would require them to provide encrypted, password-protected, or other protected data to the agency during their exams.

Given the wave of data breaches at a variety of institutions and retail companies, “CUNA agrees that credit union member data should be protected during the exam process. However, we don’t want another regulation added to the regulatory burden that credit unions already face,” said Lance Noggle, CUNA’s senior director of advocacy and counsel.

OIG’s June 8 report said the NCUA has provided examiners with the appropriate tools for securely receiving electronic information from credit unions during the examination process. However, it noted that the agency does not require credit unions to provide sensitive member information to the agency in a protected or encrypted manner and does not require use of the tools for protecting the information.

NCUA needs to improve its policies, procedures, and training to help ensure its staff appropriately protect sensitive data during the examination and improve its guidance to require staff to use specific tools to transfer the sensitive data, said OIG.

The seven recommendations and the NCUA’s responses are:

- Require federally insured credit unions to provide the sensitive electronic member information to NCUA and its staff “in an encrypted or otherwise secure manner,” such as with files protected by strong passwords, whether using the credit union’s secure tools or the agency’s. Agency management said in the report that the Office of Examination and Insurance will update its “Day 1” letter to credit unions clearly defining expectations regarding protection of the information, depending on completion of any bargaining obligation with the National Treasury Employees Union (NTEU).
- Complete revision of NCUA’s Instruction 13500.9 to consolidate,

include or reference; 1) the agency's specific policy, procedure or alternate practical guidance--depending on the examination scenario--agency staff must adhere to or follow to help ensure protection of the information; and 2) the consequences NCUA staff face for failing to follow the agency's requirements, procedures or guidance for protecting the information. NCUA management has revised the instruction and will implement it after the NTEU bargaining obligation.

- Enhance NCUA annual security awareness training or provide additional supplementary periodic training that reinforces the data protection requirements in NCUA Instruction 13500.9 and provides staff with practical guidance for addressing issues within the context of their job responsibilities as they handle the information during examinations. The agency said the Office of the Chief Information Officer (OCIO) will update its annual security training to incorporate the recommendations in its 2015 annual security training by the end of the year.
- Enhance NCUA's annual privacy training to stress protecting sensitive member information; address and reinforce to staff the consequences of violating or failing to follow policy, requirements and procedures for protecting information; and address potential consequences the NCUA and credit unions face if staff fail to protect the information. NCUA said its Senior Agency Official for Privacy will update the annual privacy training by the end of the year.
- Continue to pursue and implement the secure file transfer solution NCUA is assessing to transfer sensitive, confidential or personally identifiable electronic credit union member information. NCUA said its OCIO will complete the implementation by the end of the year.
- Complete revising Instruction 13500.09 to require and provide guidance on secure tools or alternative procedures NCUA staff must use under various circumstances to transfer the sensitive information during examinations. NCUA indicated it has revised the instruction and will implement it after the NTEU bargaining obligation.
- Enhance NCUA's annual security awareness training to reinforce to NCUA staff the availability, use and applicability of secure NCUA tools to transfer the information. NCUA management said the updated training will be implemented by OCIO by the end of the year.

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

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

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

June 23 -- [VirtualCorps Webinar: Negotiating Your Executive Compensation Package](#)

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

July 8 -- [CFO Roundtable: The Impending Interest Rate Rise](#)

Industry Events

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 8 -- [South-Central Chapter Meeting: Compliance Update](#)

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

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

2016

March 14-16 -- CU Reality Check Conference

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

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