

Credit Union Department



NEWSLETTER

No. 01-04

www.t cud.state.tx.us

January 31, 2004

NOTICE OF CONCURRENT COMMISSION MEETING

The Credit Union Commission will meet concurrently with the Finance Commission of Texas on Friday, February 20, 2004, at 9:00 a.m. in Austin at the Texas Department of Mental Health and Mental Retardation Central Office, 909 West 45th Street, Building 2, Room 164, Austin, Texas. The purpose of the concurrent meeting is to address various Home Equity Lending Interpretations.

NOTICE OF REGULAR COMMISSION MEETING

The Credit Union Commission will hold its regular meeting on Friday, February 20, 2004, at 10:00 a.m. or 30 minutes after the adjournment of the concurrent meeting in Austin at the offices of the Credit Union Department. [Click here for a copy of the draft agenda.](#)

COMPLIANCE WITH SOCIAL SECURITY NUMBER CONFIDENTIALITY LAWS

The Texas Legislature recently revised Subchapter D, Chapter 35, Business & Commerce Code Section 35.58, Confidentiality of Social Security Number in Senate Bills 473 and 611 during the 78th Legislative Session ("SSN Law"). Generally, the SSN Law prohibits a business from displaying a person's social security number on a card or other device required to access a product or service. The law also prohibits a business from printing the social

security number on most materials that are sent by mail, unless state or federal law requires that the number be included in the material. Credit unions currently using the social security number as the member's account number, or otherwise printing the number on information mailed to the members, must ensure that appropriate action is taken to comply with the new law by January 1, 2005.

Under the SSN Law, the Commissioner can grant a credit union an extension of time to achieve compliance of up to one year for good cause shown. To demonstrate "good cause," a credit union must document that it has made a good faith effort to comply with the SSN Law and either (1) the credit union lacks the financial resources to achieve compliance by the deadline; or (2) technical or logistical problems preventing timely compliance have arisen that are beyond the control of the credit union.

All requests from credit unions for a hearing to obtain *additional* time to comply with the SSN Law must be made in writing to the Commissioner and must be received on or before **October 31, 2004**. The credit union must provide all supporting documentation at the time the request is made.

A decision on a credit union's request for additional time will be rendered on or before November 30, 2004. If additional time is not granted, all credit unions must be in compliance with the SSN Law by January deadline.

**U.S. TREASURY DEPARTMENT
LAUNCHES NEWSLETTER**

The Treasury Department's Office of Financial Education published the first issue of its online quarterly newsletter on January 22, 2004. "The Treasury Financial Education Messenger" covers the eight elements of a successful financial education program. The first issue also lists the top five strategies to help consumers manage their money. The Treasury Financial Education Messenger is available online at www.treasury.gov/financialeducation, where visitors can also subscribe to receive future issues of the newsletter by e-mail.

SCAM ALERT

The Office of the Comptroller of the Currency (OCC) issued a warning about fictitious documents that claim to be issued by the OCC and falsely state that international payments are being held by the agency. The most recent version of these documents make reference to the Sept. 11, 2001, attack and contain the forged signature of First Senior Deputy Comptroller Julie L. Williams. The documents offer a mechanism for obtaining the release of restricted funds out of Nigeria, Afghanistan and Iraq. The false documents are originating from many sources around the world. The agency said that any documents stating that the OCC is holding, or has placed a hold on, funds for the benefit of any entity, or for an entity's account, should be viewed as fraudulent.

THIRD-PARTY PROVIDERS

While supportive of credit unions' use of third parties to enhance product offerings, improve earnings, and diversify assets and revenues, the Department expects a credit union's board of directors and management to ensure that adequate risk mitigation practices are in place for effective oversight and management of these relationships. Credit unions should institute a third-party risk management process that includes a risk assessment to identify the institution's needs and requirements; due diligence to identify and select a provider; written contracts that clearly outline duties, obligations, and responsibilities of the parties involved; and ongoing oversight of outsourced services. The value an institution will derive from its use of vendor services and products is directly proportional to the quality of

management's due diligence and risk control process.

**CHANGE 6, RULES FOR TEXAS
CREDIT UNIONS**

On January 28, 2004, Change 6 to update the Rules for Credit Unions was mailed to all credit unions. The effective date of this revision is January 7, 2004. Additional copies of the rules or any updates may be purchased from the Texas Credit Union League, P. O. Box 655147, Dallas, Texas 75265.

**COMMISSION SCHEDULES 2004
RULE REVIEW**

The Credit Union Commission, in accordance with its policy, regularly reviews and revisits each of its rules. During calendar year 2004, the Credit Union Commission will review Rules **91.101, 91.201, 91.301, 91.302, and 97.205**. Although no major changes or additions are anticipated this year, the Commission is soliciting feedback from the credit union movement on the delineated rules.

**PUBLISHING NOTICE OF
APPLICATIONS IN THE TEXAS
REGISTER**

In order to meet the submission deadlines for the applicable issues of the Texas Register, it is necessary for the Department to establish the publication schedule included below. Completed applications received after the deadline for the month cannot be published until the following month.

<u>Published In</u>	<u>Deadline for Receipt</u>
February 2004	Friday, February 13
March 2004	Friday, March 12
April, 2004	Friday, April 16

HOLIDAY SCHEDULE FOR TCU

The Department's office will be closed on **February 16, 2004** in observance of President's Day.



APPLICATIONS APPROVED

Applications approved since December 31, 2003 include:

Field of Membership Change(s) Approved:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
OmniAmerican Credit Union (Fort Worth)	See Newsletter No. 11-03
Telco Plus Credit Union (Longview) (#1) (Conditional)	See Newsletter No. 11-03
Texas Dow Employees Credit Union (Lake Jackson) (Amended) Members and employees of the Friends of the Texas Credit Union Foundation who reside, work, or attend school in Brazoria County, Texas; Galveston County, Texas; and the portion of Harris County, Texas within these geographical confines: Beginning at the intersection of Loop 610 and Highway 288; south to Highway 6; west to Highway 59; south to Highway 99; northwest to IH-10; east to Highway 6; north to Highway 290; southwest to Loop 610 then back to the intersection of the beginning point at Highway 288 South.	See Newsletter No. 11-03
TruWest Credit Union (Scottsdale, Arizona) (Amended) Persons who live, work or attend school within a ten-mile radius of the credit union's proprietary offices located at 7700 Parmer Lane, Austin, Texas 78729 (Permit No. OSB 18) and 13609 IH-35 North, Austin, Texas 78753 (Permit No. OSB 30).	See Newsletter No. 11-03

Field of Membership Change(s) Denied:

Telco Plus Credit Union (Longview) (#2)	See Newsletter No. 11-03
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Articles of Incorporation Change(s) Approved:

Associated Credit Union (Deer Park)	See Newsletter No. 12-03
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Merger(s) or Consolidation(s) Approved:

J&J Employees Credit Union with My Federal Credit Union	See Newsletter No. 08-03
THD District 4 Credit Union with The Education Credit Union	See Newsletter No. 09-03
GTX Credit Union with JSC Federal Credit Union	See Newsletter No. 10-03

APPLICATIONS RECEIVED

The following applications were received and published in the January 30, 2004 issue of the Texas Register.

Field of Membership Expansion(s):

S&S Credit Union (Houston) – To permit employees of ABM Janitorial Services located within Texas and Louisiana, companies who are wholly owned by ABM bearing different names located within Texas and Louisiana, and family members of the ABM employees named, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (Lake Jackson) – To permit the employees of U. S. Contractors, Ltd. dba U.S. Contractors, United Electrical & Instrumentation, and Brazos M & E, Ltd dba Brazos M & E all located at 622 Commerce Road, Clute, TX 77531, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#1) -- To permit the employees of Texas ROI, Inc. who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#2) -- To permit the employees of Metro Aviation, Inc. (CareFlight) who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#3) -- To permit the employees of Aeromedical Collection Services (CareFlight) who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#4) -- To permit the employees of Siemens One/Siemens Health Services who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#5) – To permit the employees of The Relizon Company who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#6) -- To permit the employees of Zimmerman & Associates LLC who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Scott and White Employees Credit Union (Temple) (#7) – To permit the employees of Aramark Company who work as contractors in any Scott and White Hospital facility or who work in or are supervised from Bell County, Texas, to be eligible for membership in the credit union.

Houston Energy Credit Union (Houston) – To permit the employees of Sun Technical Services, Inc. who work in or are supervised from the South Texas Project Electric Generating Station, Wadsworth, TX 77483, to be eligible for membership in the credit union.

Premier America Credit Union (Chatsworth, California) – To expand the field of membership of its branch office located in Houston, Texas. The proposal would permit persons who worship within a ten-mile radius of 10001 Richmond Avenue, Houston, Texas 77042, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.t cud.state.tx.us/applications.html>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Articles of Incorporation Change(s):

Dallas Treasury Credit Union (Dallas) -- The credit union is proposing to change its name to LibertyOne Credit Union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Merger(s) or Consolidation(s) Changes:

An application was received from **MCT Credit Union** (Port Neches) seeking approval to merge with **Smith Bluff Texas Federal Credit Union** (Nederland). MCT Credit Union will be the surviving credit union.

An application was received from **Associated Credit Union** (Deer Park) seeking approval to merge with **Galveston County Federal Credit Union** (Texas City). Associated Credit Union will be the surviving credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.