
Credit Union Department



NEWSLETTER

No. 08-08

www.tcupd.state.tx.us

August 31, 2008

NOTICE OF LEGISLATIVE ADVISORY COMMITTEE MEETING

The Legislative Advisory Committee will meet in Austin on Tuesday, September 23, 2008, at 9:00 am, in the Texas State Capitol, 1110 North Congress Avenue, Capitol Extension Room E2.010. For your convenience, the agenda is available on the TCUD website.

OVERDRAFT PROTECTION PROGRAMS

Commission Rule 91.710 requires credit unions that provide overdraft protection programs to adopt written policies and procedures adequate to address the operational and other risks associated with these types of programs. Credit unions are expected to incorporate prudent risk management practices related to account repayment and suspension of overdraft protection services. These include the establishment of specific timeframes for when members must pay off their overdraft balances. For example, credit unions should have established procedures for the suspension of overdraft services when the member no longer meets the eligibility criteria (such as when the member has declared bankruptcy or defaulted on a loan at the credit union) as well as for when there is a lack of timely repayment of an overdraft. The Rule specifies that a credit union must charge-off the balance within 60 days, or have the member obtain a loan for the outstanding balance.

LOAN ORIGINATOR REGISTRATION

On July 30, 2008, the president signed into law the Housing and Economic Recovery Act of 2008. Title V of that Act, called the S.A.F.E. Mortgage Licensing Act, requires that loan originators employed by depository institutions (which includes credit unions) be registered with the Nationwide Mortgage Licensing System and Registry. The federal banking agencies, including NCUA, are directed to develop a system by August of 2009 that will register these employees with the registry system set up by the Conference of State Bank Supervisors (CSBS).

Information collected will include fingerprints, personal history, and experience of the loan originator. Employees who do only clerical or administrative functions for the loan originators will not have to register. The system will be authorized to do a criminal and civil background check of the employees. Eventually, customers will have access to the system to assess the history of a loan originator. Check CUNA's website for more information: http://www.cuna.org/compliance/member/eguide/eguide_mlr.html.

RESPONSE TO REPORT OF EXAMINATION

Each credit union's board of directors is responsible for ensuring that a formal review of the Department's Report of Examination is completed and documented in the board minutes. The board also has the responsibility to ensure that appropriate action is taken to resolve the findings identified during the examination. A written response should be submitted to the Department if the officials are not in agreement with a specific finding, or if they determine that the timeframe for corrective action can not be met. The Department's intent is to work with credit unions in a cooperative manner to resolve areas of concern identified during the examination; however, a credit union's failure to appropriately resolve the examination findings in a timely manner is grounds for further administrative action against the credit union.

RECORDED 990 WEBINAR AVAILABLE

NASCUS has made available a recording of the July 31, 2008 990 Webinar. Those who missed the live version or those who wish to view it again may request a copy of the webinar at http://www.nascus.org/omnisam/event/eventreg_info.cfm?product_id=77. Just as when you registered for the webinar, you will need to log in to order the recording. You should use the password you set up previously. If you do not have a password, click on the *New to the Site?* link. There is no charge for the recording. If you have difficulty, email ryan@nascus.org.

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 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>
September, 2008	Friday, September 12
October, 2008	Friday, October 17

OPERATING FEE

On August 29, 2008, the Operating Fee invoices for Fiscal Year 2009 were mailed to all credit unions. All fees must be received on or before **September 30, 2008** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.

APPLICATIONS APPROVED

Applications approved since July 31, 2008 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
First Service Credit Union (Houston)	See Newsletter No. 06-08
Metroplex Credit Union (Carrollton)	See Newsletter No. 06-08
InvesTex Credit Union (Houston)	See Newsletter No. 06-08
Articles of Incorporation Change(s) Approved:	
Galleria Credit Union (Dallas)	See Newsletter No. 06-08
Merger(s) or Consolidation(s) Changes Approved:	
Dallas Western Union Employees CU with Corner Stone CU	See Newsletter No. 07-08

APPLICATIONS RECEIVED

The following applications were received and published in the August 29, 2008 issue of the Texas Register.

Field of Membership Expansion(s):

West Texas Educators Credit Union (Odessa) -- To permit students at Odessa College in Odessa, Texas, to be eligible for membership in the credit union.

United Energy Credit Union (Houston) -- To permit persons who live, work, attend school, or worship in and businesses located within 10 miles of the office of United Energy Credit Union located at 8790 F.M. 1960, Humble, Texas 77338 and 1111 Louisiana, Houston, Texas 77002, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#1) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Brazoria County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#2) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Fort Bend County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#3) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Galveston County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#4) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Harris County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#5) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Matagorda County, Texas, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (#6) (Lake Jackson) -- To permit persons who live, work, worship, or attend school in, and businesses and other legal entities located in Wharton County, Texas, to be eligible for membership in the credit union.

Anheuser-Busch Employees' Credit Union (#1) (St. Louis, Missouri) --To expand its field of membership in Texas. The proposal would permit individuals, organizations and associations who are located, reside, or work within a ten mile radius of our branch located at 3500 Manor Way, Dallas, Texas 75235, to be eligible for membership in the credit union.

Anheuser-Busch Employees' Credit Union (#2) (St. Louis, Missouri) -- To expand its field of membership in Texas. The proposal would permit individuals, organizations and associations who are located, reside, or work within Lamar County, Texas, 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.tcup.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.

HOLIDAY SCHEDULE FOR TCUD

The Department's office will be closed on **September 1, 2008**, in observance of Labor Day.

