
Credit Union Department



NEWSLETTER

No. 07-09

www.t cud.state.tx.us

July 31, 2009

Notice of Special Commission Meeting

The Credit Union Commission will hold a special meeting on Friday, August 7, 2009, at 9:00 a.m., in the conference room of the Department. The agenda is available on the TCUD website ([Click here for a copy of the agenda](#)).

IRS 990: Remaining Matters

GROUP FILING: The Department has completed and filed the 2008 IRS Form 990 for the 121 credit unions that opted to be part of the group filing this year. As required by IRS, the return is available to the public and should be on the Department's website by mid-August.

PUBLIC INSPECTION: Credit unions that filed their IRS 990 separately must also make their returns available for public inspection. [Appendix D](#) of the IRS 990 instructions discusses how quickly and in what manner the return must be made available. RSM McGladrey, Inc. has also distributed a [memo](#) on these requirements.

EXTENSION: Credit unions that received an extension of the time to file their IRS 990, must notify the Department when they file their returns. An email that the return has been filed will be sufficient.

Operating Fee

As credit unions are aware, the operating fee is paid in semi-annual installments effective September 1 and March 1. The first installment representing 50% of the total fee must be paid by no later than September 30, 2009. The amount of the final installment will be determined after review and consideration of revenues and

*actual expenses for the fiscal year. The final installment, which will not be greater but may be less than 50% of the total fee, will be due no later than March 30, 2010. The fee will be calculated based upon the credit union's total assets at June 30, 2009. The invoice for the first installment will be mailed on August 28, 2009. If you have any questions or disagree with our computation, please give us a call. Otherwise, please remember that the first portion of the fee must be received on **September 30, 2009**, in order to avoid penalties.*

Rule Review

*The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§91.401** (Purchase, Lease, or Sale of Fixed Assets), **91.402** (Insurance for Members), **91.403** (Federal Parity Debt Cancellation Products), **91.405** (Records Retention), **91.406** (Credit Union Service Contracts), **91.407** (Electronic Notification), **91.408** (User Fee for Shared Electronic Terminal), **91.4001** (Authority to Conduct Electronic Operations), **91.4002** (Transactional Web Site Notice Requirement; and Security Review), **91.5001** (Emergency Closing), **91.5002** (Effect of Closing), and **91.5005** (Permanent Closing of an Office) of Title 7, Part 6 of the Texas Administrative Code in preparation for the Commission's Rule Review as required by Section 2001.039, Government Code.*

An assessment will be made by the Commission as to whether the reasons for adopting or readopting these rules continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Comments or questions regarding these rules may be submitted in writing to, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or electronically to info@tcud.state.tx.us. The deadline for comments is August 30, 2009.

The Commission also invites your comments on how to make these rules easier to understand. For example:

- ❑ Do the rules organize the material to suit your needs? If not, how could the material be better organized?*
- ❑ Do the rules clearly state the requirements? If not, how could the rule be more clearly stated?*
- ❑ Do the rules contain technical language or jargon that isn't clear? If so, what language requires clarification?*
- ❑ Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?*

- *Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?*

Any proposed changes to these rules as a result of the rule review will be published in the Proposed Rule Section of the Texas Register. The proposed rules will be open for public comment prior to final adoption by the Commission.

Rule Review Comment Feature

In order to improve the feedback on revisions to the Commission Rules, the Department will be testing a new comment tool on our website during the month of August. The process is intended to allow credit union officials and staff members to suggest potential changes to the rules during the preliminary stages of the required rule review. We encourage you to look at this feature on our website www.tcad.state.tx.us and provide your thoughts on the agency rules currently up for review.

TCUD Anniversary

Four decades ago, the Credit Union Department officially began operations as an independent credit union regulatory agency. This noteworthy anniversary provides us with an important opportunity to reflect upon our past success, thank those who have contributed so strongly to our efforts, and to celebrate our future promise. To recognize some of the many people whose hard work and leadership have helped us achieve tremendous success over these last 40 years, please visit www.tcad.state.us and review our 40th Anniversary photo gallery.

Credit Union Service Organization

Section 91.801 of the Credit Union Commission Rules allows Texas credit unions to invest in or loan funds to a Credit Union Service Organization (CUSO). The rule contains a detailed listing of permissible CUSO activities and services, as well as specific organizational and notification requirements. Most notably, a credit union that invests in or loans funds to a CUSO must provide written notice to the Commissioner at least 15 days prior to any material changes in the CUSO activity. The notification requirement includes: a credit union's intent to make an initial investment in or loan to a CUSO, a material change to a CUSO's organizational structure, or any new activities to be performed by an existing CUSO.

Training for New NCUA Online Call Report System

The National Credit Union Administration (NCUA) is in the final stages of preparing its online credit union profile and 5300 Call Report System, which is to be implemented on September 1, 2009. Once put into operation, all federally-

insured credit unions with access to the Internet will be required to submit all of their data online.

To facilitate a smooth transition to this new system, NCUA will host several webcasts for credit unions beginning in August. The first webcast is tentatively scheduled for August 12. During this webcast NCUA will discuss the new online system, what credit unions need to do to prepare for the change and provide an opportunity for credit unions to ask questions. NCUA will hold two more webcasts in September to talk specifically about the online credit union profile and how to complete that section. Finally, in early October, NCUA will host one webcast to talk about the 5300 Call Report and completing the September Call Report online. Further information will be available in the near future.

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>
August, 2009	Friday, August 14
September, 2009	Friday, September 11

Applications Approved

Applications approved since June 30, 2009 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change(s) Approved:</i>	
<i>Associated Credit Union of Texas (Deer Park)</i>	<i>See Newsletter No. 04-09</i>
<i>Cabot & NOI Employees Credit Union (Pampa)</i>	<i>See Newsletter No. 05-09</i>
<i>Merger(s) or Consolidations(s) Changes Approved:</i>	
<i>First American FCU with EDS Credit Union</i>	<i>See Newsletter No. 05-09</i>

Applications Received

The following applications were received and published in the July 31, 2009 issue of the Texas Register.

Field of Membership Expansion(s):

EDS Credit Union (#1) (Plano) – To permit persons who live, work, worship, or attend school within a ten-mile radius of the following credit union location: 1 First American Way, Westlake, TX 76262, to be eligible for membership in the credit union.

EDS Credit Union (#2) (Plano) – To remove exclusionary language associated with the merger of First American Federal Credit Union (FAFCU), Santa Ana, CA, from the field of membership of EDS Credit Union.

EDS Credit Union (#3) (Plano) – To permit persons who live, work, worship, or attend school within a ten-mile radius of the following credit union location: 1 First American Way, Santa Ana, CA 92707, to be eligible for membership in the credit union.

EDS Credit Union (#4) (Plano) – To permit persons who live, work, worship, or are located in Cumberland County, Pennsylvania, to be eligible for membership in the credit union.

EDS Credit Union (#5) (Plano) – To permit persons who live, work, worship, or attend school within a ten-mile radius of the following credit union location: 46910 Community Plaza, Sterling, VA 20164, 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.

