
Credit Union Department



NEWSLETTER

No. 07-10

www.tcred.state.tx.us

July 31, 2010

Rules Updates Available August 2

Change 26, the most recent update to the rules, will be available on the Department's website on August 2. As indicated in the last two newsletters, the Department will be providing updates to the rules electronically rather than mailing them. The Department will post the updates to its website and will send credit unions email notification each time there is a new update. Updates will be archived each year.

Credit unions may designate one email address to receive the electronic notification for the update link by sending it to isabel.velasquez@tcred.state.tx.us. If a credit union does not specify an email address, we will use the address we have for the credit union president until notified otherwise. We will also publish the link in the newsletter that follows the update posting.

Website Security Review

Commission rules require that each credit union with a transactional website complete a review of the adequacy of the website's security measures at least once every two years. Rule 91.4002 specifies that the review must cover the adequacy of the physical and logical protection against unauthorized access including denial of service and other forms of electronic access. For the purposes of this rule, a transactional website is defined as an internet site that enables users to conduct financial transactions such as accessing an account, obtaining an account balance, transferring funds, processing bill payments, opening an account, applying for or obtaining a loan, or purchasing other authorized products or services.

Mortgage Loan Originator Registration

Final rules for the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act), were published in the Federal Register on July 28, detailing the requirements for registration of mortgage loan originators at credit unions.

The rules are effective October 1, but credit unions will have 180 days from the date NCUA announces the availability of the registry. NCUA estimates that the registry will begin accepting initial registration on or about January 28, 2011.

Under the S.A.F.E. Act, the registration requirements apply to any person who performs mortgage loan originations as an employee (or volunteer) of a credit union. It does not affect persons performing only administrative or clerical tasks related to mortgage lending.

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, 2010. 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, 2011. The fee will be calculated based upon the credit union's total assets at June 30, 2010. The invoice for the first installment will be mailed on August 27, 2010. If you have any questions or disagree with our computation, please give us a call. Otherwise, please remember that the first installment of the fee must be received by **September 30, 2010**, in order to avoid penalties.*

Rule Review

*The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 95**, §§**95.100** (Definitions), **95.101** (Share and Depositor Insurance Protection), **95.102** (Qualifications for an Insuring Organization), **95.103** (General Powers and Duties of an Insuring Organization), **95.104** (Notices), **95.105** (Reporting), **95.106** (Amount of Insurance Protection), **95.107** (Sharing Confidential Information), **95.108** (Examinations), **95.109** (Fees and Charges), **95.110** (Enforcement; Penalty; and Appeal), **95.200** (Notice of Taking Possession; Appointment of Liquidating Agent; Subordination of Rights), **95.205** (State not Liable for any Deficiency), **95.300** (Share and Deposit Guaranty Credit Union), **95.301** (Authority for a Guaranty Credit Union), **95.302** (Powers), **95.303** (Subordination of Right, Title, or Interest), **95.304** (Accounting for Membership Investment Shares), **95.305** (Audited Financial Statements;*

Accounting Procedures; Reports), **95.310** (Fees and Charges), and **95.400** (Requirements of Participating Credit Unions) 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 **September 1, 2010**.*

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.

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.

Published In

Deadline for Receipt

August, 2010
September, 2010

Friday, August 13
Friday, September 10

Applications Approved

Applications approved since June 30, 2010 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes Approved:</i>	
The Education Credit Union (Amarillo)	See Newsletter No. 02-10
The Education Credit Union (Amarillo) (#1)	See Newsletter No. 05-10
The Education Credit Union (Amarillo) (#2)	See Newsletter No. 05-10
<i>Merger or Consolidation -- Approved</i>	
Southeast Community Credit Union with River City FCU	See Newsletter No. 04-10
<i>Articles of Incorporation – Approved</i>	
Winkler County Credit Union (Kermit)	See Newsletter No. 05-10

Applications Received

The following applications were received and published in the July 31, 2010 issue of the Texas Register.

Field of Membership Expansion(s):

First Central Credit Union (Waco) – *To permit members of Friends of Consumer Freedom who live, work, worship or attend school in Taylor, Callahan, Eastland, Erath, Hood, Somervell, Johnson, Ellis, Navarro, Limestone, Falls, Bell, Coryell, Lampasas, San Saba, McCulloch, Mills, Comanche, Hamilton, and Bosque Counties, 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.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 Changes:

NCI Community Development Credit Union (Houston) -- *The credit union is proposing to change its name to Promise 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 Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.



This newsletter is produced monthly as a part of the Department's continued communication outreach with the credit unions it regulates. Delivery is generally provided by electronic notification of its availability on the Department's website at <http://www.t cud.state.tx.us>.

Suggestions and comments concerning the newsletter or its content should be sent to the Department at 914 East Anderson Lane, Austin, Texas 78752-1699 or via email to info@t cud.state.tx.us.