
Credit Union Department



NEWSLETTER

No. 02-11

www.tcu.state.tx.us

February 28, 2011

OPERATING FEE

On February 24, 2011, the invoices for the second installment of the Operating Fee for fiscal year 2011 were mailed to credit unions. All fees must be received on or before **March 30, 2011** to avoid the payment of any penalties. If you did not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.

RESPONSE TO EXAMINATION REPORT

Each credit union's board of directors is responsible for ensuring that a review of the Department's examination report is completed and documented in the board meeting minutes. The board is also responsible for ensuring that appropriate action is taken to resolve the examination findings in a timely manner. In instances where there is a material disagreement over the findings or the proposed corrective actions, a written response should be submitted to the Department to document the areas of disagreement. The Department strives to work with the credit union's officials in a cooperative manner to ensure the examination findings are resolved. However, it should be noted that any failure to resolve material examination findings in a timely manner is grounds for the Department to take further administrative action against a credit union.

NOTICE OF INITIAL REGISTRATION PERIOD

Under the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) and NCUA's final rule issued on July 28, 2010, residential mortgage loan originators employed by credit unions must register with the Nationwide Mortgage Licensing System and Registry, obtain a unique identifier from the Registry, and maintain that registration.

The initial period for this federal registration will run from January 31, 2011 through July 29, 2011. After this 180-day period expires, any existing employee or newly hired employee of a

credit union who is subject to the registration requirement will be prohibited from originating residential mortgage loans without first obtaining a federal registration.

Credit unions are encouraged to visit the Registry [Web site](#), which has further information about the federal registration process, to facilitate the registration of your mortgage loan originator employees.

COMMISSION RE-ELECTS VICE CHAIRMAN

The Credit Union Commission unanimously re-elected Thomas F. Butler to a one-year term as its Vice Chairman. Mr. Butler, who is a public member of the Commission, was first elected Vice Chairman in 2007. He also serves as Chair of the Commission's Rules Committee.

FEBRUARY COMMISSION MEETING

At its meeting earlier this month, the Commission adopted one new rule and amended another. New Rule 97.104, Petitions for Adoption or Amendment of Rules, sets out the procedure for an interested party to petition the Commission for the adoption of a new rule or the amendment to an existing rule. Rule 95.102, Qualifications for an Insuring Organization, was amended to clarify the requirements an insuring organization must have to do business in this state. Both rules can be found on the Department's Website. The rules will become effective on **March 14, 2011**.

RULE REVIEW

The Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§91.801** (Investments in Credit Union Service Organizations), **91.802** (Other Investments), **91.803** (Investment Limits and Prohibitions), **91.804** (Custody and Safekeeping), **91.805** (Loan Participation Investments), **91.808** (Reporting Investment Activities to the Board of Directors), **91.901** (Reserve Requirements), and **91.902** (Dividends) 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. As part of this review, each rule will be examined to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the 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 **April 15, 2011**.

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
March, 2011	Friday, March 11
April, 2011	Friday, April 15

APPLICATIONS APPROVED

Applications approved since January 31, 2011 include:

Credit Union	Changes or Groups Added
Field of Membership Change(s) Approved:	
Neighborhood Credit Union (Dallas)	See Newsletter No. 06-10
Reed Credit Union (Houston)	See Newsletter No. 11-10
YOUR Community Credit Union (Irving)	See Newsletter No. 11-10
First Central Credit Union (Waco) (#1) (Amended) Members of Friends of Consumer Freedom who live, work, worship or attend school in Callahan, Eastland, Comanche, Mills, San Saba, McCulloch, and Coleman Counties, Texas.	See Newsletter No. 11-10
First Central Credit Union (Waco) (#2) (Amended) Members of Friends of Consumer Freedom who live, work, worship or attend school in Bosque, Falls, and Coryell Counties, Texas.	See Newsletter No. 11-10

Articles of Incorporation Change(s) Approved:

Carroll Childers Credit Union (Houston)

See Newsletter No. 12-10

Merger(s) or Consolidation(s) Approved:

First Service CU (Houston) and **Right Choice CU** (Houston) See Newsletter No. 11-10

APPLICATIONS RECEIVED

The following applications were received and published in the February 25, 2011 issue of the *Texas Register*:

Field of Membership Expansion(s):

Cabot & NOI Employees Credit Union (Pampa) -- To permit employees of Engine Parts & Supply, 416 West Foster Avenue, Pampa, Texas 79065, 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.tcad.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.

Merger or Consolidation:

An application was received from **Sears Waco Credit Union** (Waco) seeking approval to merge with **First Central Credit Union** (Waco), with the latter being 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.



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.tcad.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@tcad.state.tx.us.