



Newsletter

No. 09-11



September 2011



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CUD is the state agency that regulates and supervises credit unions chartered by the State of Texas. The Department is professionally accredited by the National Association of State Credit Union Supervisors (NASCUS) certifying that CUD maintains the highest standards and practices in state credit union supervision.

*Our **Mission** is to safeguard the public interest, protect the interests of credit union members and promote public confidence in credit unions.*

Credit Union Commission

The Commission is the policy making body for CUD. The Commission is a board of private citizens appointed by and responsible to the Governor of Texas.

Members:

- Thomas F. Butler, Chair
- Manuel Cavazos IV, Vice Chair
- Gary L. Janacek
- Dale E. Kimble
- Sherri B. Merket
- Allyson Morrow
- Rob Kyker
- Gary D. Tuma
- A. John Yogerst

Next Commission Meeting

Friday, October 21, 2011 beginning at 8:00 a.m. in the offices of CUD.

Notice of Rules Committee Meeting

The Rules Committee will hold its next meeting in Austin on Thursday, October 20, 2011, at 2:00 p.m., at the offices of the Department. The agenda is available on the CUD website for your review and information. ([click here for agenda](#)).



Notice of Commission Meeting

The Credit Union Commission will hold its regular meeting on Friday, October 21, 2011, beginning at 8:00 a.m., in the conference room of the Department. The agenda is available on the CUD website for your convenience. ([click here for agenda](#)).



Meeting Packets on Department's Website

As a reminder the official meeting packets for both the Rules and the Commission meetings will be available on the Department's website (www.cud.texas.gov). Approximately one week prior to the scheduled meeting, a link to the packets will appear under the "Department News" on our home page.



September 30 Call Report

The due date for the September 30, 2011 call report is October 21, 2011. Each call report cycle, credit unions must go to their on-line profile and make any changes necessary and certify these changes before completing the call report. **Even if no changes to the profile are necessary, the profile must be certified before completing the call report.**



Wild Fires in Texas

The Department encourages credit unions to work constructively with members affected by the wild fires in Texas.

Regulatory Bulletin (**RB 2003-01**) provides guidance on steps credit unions may take to support members affected by disasters. In addition, credit unions may want to consider temporarily waiving:

- Late payment charges as well as penalties for share drafts returned because of insufficient fund where it appears that such late payments and NSF conditions resulted from delays beyond the members' control; and
- Penalties for early withdrawal of savings in circumstances where the member has a demonstrable need for the funds from the wild fire.



NCUA Assessment

On September 9, 2011, the NCUA announced that all federally insured credit unions would be receiving an invoice for the 2011 Temporary Corporate Credit Union Stabilization Fund assessment. The assessment is payable to the NCUA by no later than September 27, 2011 and is equal to 0.25% (25 basis points) of each credit union's insured shares as of June 30, 2011. The assessment, as reported by the NCUA, is necessary to pay corporate credit union obligations and meet the near-term cash flow needs of the Corporate Credit Union Stabilization Fund. The assessment must be fully expensed by no later than September 30, 2011 and recorded on the September Call Report. Credit unions will report the assessment expense as *Temporary Corporate CU Stabilization Fund Assessment* (line 26b) on the Statement of Income and Expense (page 5).



IRS Form 990-T

The Department has recently observed some confusion among credit unions regarding the requirements for filing the IRS Form 990-T on unrelated business income. It appears that some credit unions believe that if they owe no tax, they do not have to file the form. However, the filing requirement is not triggered by the amount of tax that might be owed, but by the amount of unrelated business income the credit union generated during the year.

The threshold for filing an IRS Form 990-T is \$1,000 in gross unrelated business income, not net income. Any credit union with gross income of \$1,000 or more in unrelated business income is required to file a Form 990-T with the IRS, regardless of any offsetting administrative expenses that may reduce the credit union's tax liability. Credit unions with \$1,000 or more in gross unrelated business income may want to consult a tax professional for additional guidance on the filing requirements. The Form 990-T for the 2010 tax year should have been filed no later than May 15, 2011.



Share Insurance Regulations

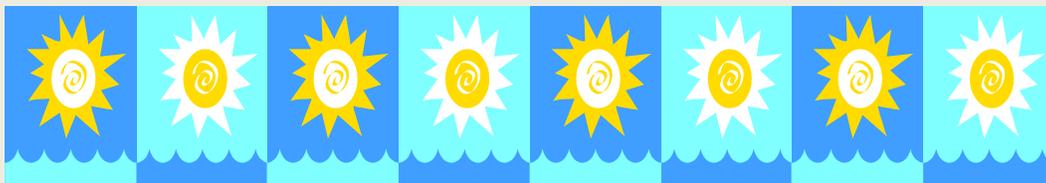
The Department periodically receives inquiries about the applicability of certain provisions of the NCUA Rules and Regulations to state-chartered credit unions. Based on the federal share insurance coverage, a number of the federal regulations also apply to state-chartered, federally-insured credit unions. Part 741 of the NCUA Rules and Regulations provides a detailed breakdown of the federal credit union regulations that also apply to state-chartered credit unions. We encourage credit unions to ensure that they review the regulation to determine the specific requirements that apply to all federally-insured credit unions.



Publication Deadlines

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>Publication Date</u>	<u>Application Deadline</u>
October, 2011	Friday, October 14
November, 2011	Friday, November 11



Applications Received

The following applications were received and published in the September 30, 2011 issue of the Texas Register.

Field of Membership Expansion:

First Service Credit Union (Houston) (#1) -- To permit employees of Buddy Doyle's Diagnostic Car Clinic located at 7438 I-10 East, Lyons Ave., Houston, Texas 77020, to be eligible for membership in the credit union.

First Service Credit Union (Houston) (#2) -- To permit employees of The Oaks of Brookshire located at 710 Highway 359 South, Brookshire, Texas 77423, to be eligible for membership in the credit union.

Energy Capital Credit Union (Houston) -- To permit members of Friends of Consumer Freedom Incorporated located in Harris and surrounding counties, to be eligible for membership in the credit union.

Texas Bay Area Credit Union (Houston) -- To permit persons who live, work, attend school, or worship in and businesses located within 25 miles of the offices of Texas Bay Area Credit Union located at 1301 Highway 225, Pasadena, TX 77506, 15245 Wallisville Road, Houston, TX 77049, and 12611 Fuqua Street, Houston, TX 77034, 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.cud.texas.gov/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 **San Jacinto Area Credit Union** (Pasadena) seeking approval to merge with **Texas Dow Employees Credit Union** (Lake Jackson), 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 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.

Suggestions and comments concerning the newsletter or its content are welcomed.



To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752

