



# Newsletter

No. 02-12



February 2012



**Credit Union Department**  
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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.*

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## **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, February 17, 2012 beginning at 8:00 a.m. in the offices of CUD.*

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## ***Deadline Approaching for ATM Compliance***

Credit unions are reminded that the physical access and speech output requirements for ATMs go into effect March 15, 2012. The speech output requirement applies to all ATMs on March 15, 2012. The new physical access requirements apply to ATMs that are altered or added after March 15, 2012. The technical requirements for both physical access and speech output can be found in the [2010 ADA Standards for Accessible Design](#).



## ***Operating Fee***

The invoices for the second installment of the Operating Fee for Fiscal Year 2012 will be mailed to credit unions on February 27, 2012. The assessment must be received on or before **March 30, 2012** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.



## ***IRS Form 990-T Requirements***

Most credit unions are aware of their IRS Form 990 filing responsibilities, but many are still neglecting to assess the need for filing an IRS Form 990-T for unrelated business income. In addition, many credit unions are under the misconception that if they do not owe any tax, they are not required to file. In fact, the filing threshold is whether a credit union has gross income of \$1000 or more from unrelated business. In addition, if a credit union anticipates owing \$500 or more, it may be required to make quarterly estimated tax payments. Since there has been considerable litigation over what constitutes an unrelated business for credit unions, credit unions should consult a tax professional to determine whether they must file this return and whether they are required to make estimated payments.



## ***Opinions Requested on Electronic Delivery of Information from the Department***

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As part of our ongoing efforts to minimize costs and increase efficiency, the Department is exploring the feasibility of utilizing electronic communications as the primary means of communicating with credit unions. In other words, we would like to reduce our dependence on the U.S. Postal System by making better use of electronic mail. To help us understand how this decision could impact credit unions we are soliciting your thoughts and comments.

As currently envisioned, the Department would require each credit union to establish an electronic mailbox dedicated to receiving electronic mail from the Department. The mailbox would have to have the capacity to receive large attachments that may accompany any messages sent by the Department. In addition, the mailbox would have to be monitored regularly because of the potential time-sensitivity or significance of the communication.

Do you see any problems for your credit union in establishing such a mailbox?

Would it create any challenges if items, such as the invoice for your Annual Assessment, are delivered electronically?

Would it present any issues if the Report of Examination was delivered via a secure e-mail?

We encourage you to send your initial reactions to these questions or any other thought or comments you might have on this proposition to [info@cud.texas.gov](mailto:info@ cud.texas.gov).



## ***Member Business Lending Regulation***

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Federally-insured credit unions are generally required to comply with the NCUA member business lending rules and regulation as a condition of the share insurance agreement. However, state-chartered credit unions in Texas are exempt from the business lending requirements of Part 723 of the NCUA's Rules and Regulations based on a waiver approved by the NCUA board. Alternatively, Texas-chartered credit unions are subject to the business lending requirements of Commission Rule 91.709 (TAC §91.709). Credit unions should ensure that their business lending policies and procedures appropriately reference and comply with the requirements of the state business lending regulation.



## ***Publication Deadlines***

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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.

<b><u>Publication Date</u></b>	<b><u>Application Deadline</u></b>
March, 2012	Friday, March 16
April, 2012	Friday, April 13

## ***Applications Approved***

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Applications approved since January 18, 2012 include:

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<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes – Approved:</i>	
<b>YOUR Community Credit Union (#2)</b> (Irving) (Amended) Persons who live, worship, attend school, or work in the portion of Dallas County, Texas that is west of Interstate Highway 45 and U.S. Highway 75.	See Newsletter No. 10-11
<b>YOUR Community Credit Union (#3)</b> (Irving) (Amended) Persons who live, worship, attend school, or work within an area bounded by Interstate Highway 45 on the East, Interstate Highway 10 on the South, and the Harris County Line on the West and North.	See Newsletter No. 10-11
<i>Articles of Incorporation Change - Approved:</i>	
<b>Waco Postal Credit Union</b> (Waco)	See Newsletter No. 12-11
<i>Charter Change – Approved:</i>	
<b>Texas Bay Area Credit Union</b> (Houston)	50 Years to Perpetuity

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## ***Applications Received***

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The following applications were received and will be published in the February 24, 2012 issue of the Texas Register.

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### *Field of Membership Expansion:*

**Space City Credit Union** (Houston) – To permit employees of Nexus Health Systems located in Texas and California, companies who are wholly owned by Nexus Health Systems bearing different names located within Texas and California, and family members of the Nexus Health Systems employees named, to be eligible for membership in the credit union.

**First Service Credit Union** (Houston) – To permit employees of G&A Partners who are paid and/or supervised from 4801 Woodway, Suite 210, Houston, TX 77056, to be eligible for membership in the credit union.

**Resource One Credit Union** (#1) (Dallas) – To permit individuals who work or reside in Harris County, Texas, to be eligible for membership in the credit union.

**Resource One Credit Union** (#2) (Dallas) – To permit persons who live, worship, attend school or work in Collin or Denton Counties, Texas, 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 10 miles of the office of Texas Bay Area Credit Union located at 2955 South Gulf Freeway, Dickinson, TX 77539, 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/page/bylaw-charter\\_1](http://www.cud.texas.gov/page/bylaw-charter_1). 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.

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*Articles of Incorporation Change:*

**Brazos Valley Schools Credit Union** (Katy) – The credit union is proposing to change its Articles of Incorporation relating to primary place of business.

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

