



Newsletter

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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, June 15, 2012 beginning at 8:00 a.m. in the offices of CUD.

Rule Activity at the Commission Meeting

Amendments to just one rule, **91.801** (Investments in Credit Union Service Organizations), were up for adoption at the February Commission meeting. The Commission voted to adopt the amendments, which altered several of the requirements for notifying the commissioner of CUSO investments and activities. The revised rule became effective on March 8, 2012.

The Commission also voted to publish for comment proposed changes to **Rule 91.808** (Reporting Investment Activities to the Board of Directors) and to readopt **Rules 91.301, 91.302, 91.310, and 91.315**. The revised, proposed, and readopted rules can be found on our website at www.cud.texas.gov.



Department E-Mail Distribution

In our continuing efforts to improve communications with credit unions, the Department has established within its computer electronic mail system an electronic mailbox dedicated strictly to sending electronic mail from the Commissioner and the Department. To ensure that mailings are not blocked by your firewall or spam filter, please add the new e-mail address, cud-email@cud.texas.gov, to your Safe Senders List.



Annual Credit Union Survey

The Department recently sent an email to each credit union president containing a link to our online survey. Each year the Department solicits comments from all state-chartered credit unions on such topics as the Department's examination process, examination report quality, and application procedures. If any credit union did not receive the email or is having problems with the link to the survey, please contact Isabel Velasquez at (512) 837-9236.



Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§91.7000** (Certificates of Indebtedness), and **91.8000** (Discovery of Confidential Information) 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@cud.texas.gov](mailto:info@ cud.texas.gov). The deadline for comments is May 1, 2012.

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.



Website Security Review

State regulations require credit unions with a transactional website to complete a review of the adequacy of the website's security measures at least once every two years. Commission 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. The rule specifies that 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.



Social Media

Social media is a phrase being tossed around a lot these days, but it can sometimes be difficult to answer the question of what is social media. According to Wikipedia, the term social media generally refers to the use of web-based and mobile technologies to turn communication into an interactive dialogue. As with any technology used, there are risks that your credit union may be subjected to if the technology is not used properly. Therefore, depending on how you will be using social media, this may require your credit union to establish appropriate social media policies, standards, and procedures.

The Federal Financial Institutions Examination Council (FFIEC) has a task force working on developing and implementing social media guidance that should be issued later this year. In the meantime, it appears that the only published information for social media guidance has been issued by the Financial Industry Regulatory Association (FINRA). FINRA is an independent regulator for all security firms doing business in the United States and has issued two documents that provide some basic information to consider when establishing social media activities at your credit union. The following links to the FINRA's Regulatory Notices are provided for your information: [10-06 Social Media Websites](#) and [11-39 Social Media Websites and use of Personal Devices for Business Communications](#).



Rules Update to Credit Unions

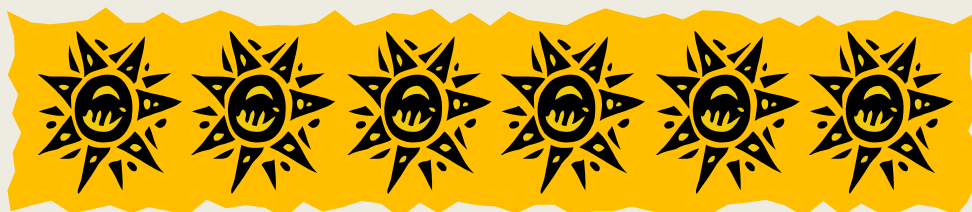
Change 31, the most recent rules update was sent to credit unions electronically on March 8, 2012. Please contact our office if you have any questions.



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>
April, 2012	Friday, April 13
May, 2012	Friday, May 11



Applications Approved

Applications approved since February 15, 2012 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes – Approved:</i>	
Energy Capital Credit Union (Houston) (Amended) Members of Friends of Consumer Freedom located in Harris County, Texas.	See Newsletter No. 09-11
<i>Charter Change – Approved:</i>	
Community Resource Credit Union (Houston)	50 Years to Perpetuity
Scott & White Employees Credit Union (Temple)	50 Years to Perpetuity



Applications Received

The following applications were received and will be published in the March 21, 2012 issue of the Texas Register.

Merger or Consolidation:

An application was received from **Space City Credit Union** (Houston) seeking approval to merge with **HHA Federal Credit Union** (Houston). Space City Credit Union will be the surviving credit union.

An application was received from **Houston Highway Credit Union** (Houston) seeking approval to merge with **Ada Employees Credit Union** (Pearland). Houston Highway Credit Union will be the surviving credit union. In accordance with Texas Finance Code §122.005(b) and 7 TAC §91.104(b), the Commissioner has the authority to waive or delay public notice of an action.



Foreign Credit Union to Operate a Branch Office:

An application was received from **Eastman Credit Union**, Kingsport, Tennessee to operate a Foreign (out-of-state) Branch Office to be located in the 3000 Block of North Eastman Rd., Longview, TX 75605.

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

