



Newsletter

No. 10-12



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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.*

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 Yoggerst

Next Commission Meeting

Friday, November 2, 2012 beginning at 8:00 a.m. in the offices of CUD.

Deputy Commissioner to Retire

It is with sadness and fondness that we wish James Deese a happy retirement. He will be retiring from his duties as Deputy Commissioner effective December 31. James has been invaluable in the operations of our Department for the past twenty seven years. His knowledge and skills have not only allowed us to have a more productive and efficient examination program, but it has also allowed us to expand and better the Department. We owe him a debt of gratitude for his hard work, commitment, and fairness.

Please join us in wishing James all the best in his retirement.



Is Your Credit Union Using the Old Complaint Notice?

In October of 2011, the Commission adopted a [new complaint notice](#) to incorporate the Department's new website address and to encourage members to contact the credit union first if they have a complaint. The new notice was also intended to clarify to members when they were contacting the credit union and when they were contacting the Department. The rule adopting the new notice was effective November 13, 2011.

Several credit unions have not updated their websites with the new notice, however. Members continue to contact the Department, thinking they are contacting their credit union. Frequently, the confusion is caused by the credit union having the old complaint notice on its website. Please confirm that you have updated your website with the correct complaint notice.



A Credit Union's Use of Third Parties

Reliance on third-party relationships can significantly increase a credit union's risk profile, notably strategic, reputation, compliance, and transaction risks. Increased risk most often arises from poor planning, oversight, or control on the part of the credit union, and inferior performance or service on the part of the third party, and may result in legal costs or dissatisfied members. To control these risks, the Department expects credit unions to exercise appropriate due diligence prior to entering the third-party relationship and to effectively oversee and control the relationship afterward.



Open Lines of Communication

The on-site examination is perhaps the single most important point of contact between the Department and the credit unions it supervises. Regardless of whether an examination results in a satisfactory evaluation, as is generally the case, or in a recommendation for a corrective program, our experience has been that the cultivation of open lines of communication before, during, and after an examination can make for a more effective and satisfactory process for all concerned. In that spirit, the Department continues to explore ways to strengthen its working relationships with the Movement and with individual credit unions. Credit unions are encouraged to contact the Department with questions or concerns regarding the regulatory process or recent developments at their institutions. The Department is available to share insights and offer perspectives that may help resolve issues or concerns.



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 applicable federal credit union regulations. We encourage credit unions to ensure that they review the regulation to determine the specific requirements that apply to all federally-insured credit unions.



Upcoming Holiday Schedule for CUD

The Department's office will be closed on **November 22-23, 2012** in observance of Thanksgiving.



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>
November, 2012	Friday, November 16
December, 2012	Friday, December 14



Applications Approved

Applications approved since September 19, 2012 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership – Approved:</i>	
Del Rio SP Credit Union (Del Rio)	See Newsletter No. 08-12
<i>Merger or Consolidation – Approved:</i>	
Norman Mathis CU (Houston) and United Community CU (Galena Park)	See Newsletter No. 06-12



Applications Received

The following applications were received and will be published in the October 26, 2012 issue of the *Texas Register*

Field of Membership Expansion:

Linkage Credit Union (Waco) – To permit persons who work, reside, worship or attend school in McLennan County, 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.cud.texas.gov/page/bylaw-charter-applications>. 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.



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Applications Received

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Articles of Incorporation Change:

Midland Teachers Credit Union (Midland) – The credit union is proposing to change its name to MTCU.

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

