



# Newsletter

No. 10-13



October 16, 2013



**Credit Union Department**  
914 East Anderson Lane  
Austin, Texas 78752

Phone: 512-837-9236

Fax: 512-832-0278

Email: [info@cud.texas.gov](mailto:info@ cud.texas.gov)

Web Site: [www.cud.texas.gov](http://www.cud.texas.gov)

*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:**

Manuel Cavazos IV, Chair  
Gary D. Tuma, Vice Chair  
Gary L. Janacek  
Sherri B. Merket  
Allyson "Missy" Morrow  
Rob Kyker  
Kay Stewart  
Vik Vad  
A. John Yoggerst

## **Next Commission Meeting**

*Friday, October 18, 2013 beginning at 8:00 a.m. in the offices of CUD.*

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## **Preserving Inactive Accounts**

The Texas Property Code Chapter 73 instructs financial institutions on the disposition of inactive accounts. Credit unions are reminded that they may not deplete the value of an inactive account by any means, including the imposition of a service charge. Accounts are considered inactive if there has been no account activity by the depositor and the depositor has not communicated with the credit union. Deposit accounts may not be assessed a service charge if there has been no contact with the account holder or depositor initiated activity within the past year. The Office of the Texas Comptroller of Public Accounts advises financial institutions to stay in touch with account holders, regardless of their account balance or the value of their property and offers a sample letter for contacting the account owners to verify inactivity. Contact may be made by mail, e-mail, phone (documented in writing), or accessing an online account. Deposit accounts that have been inactive for three years, where there has been no customer contact and the whereabouts of the owner is unknown, are presumed "abandoned" and must be reported to the Comptroller's office. The fact that mail is not returned by the post office is not proof of "contact" with the owner. Credit unions are advised to review their records for evidence of a depositor's whereabouts, looking for the most recent documented communication by an account holder. Credit unions should carefully consider any fees or charges to ensure compliance with all applicable laws.



## ***Windows XP Operating System***

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Microsoft has announced that it will discontinue extended support for the Microsoft XP operating system (XP) on April 8, 2014. After this date, Microsoft will no longer provide regular security patches, technical assistance, or support for XP. Credit unions and their technology service providers that use XP in personal computers, servers, and purpose-built devices such as automated teller machines, or that are dependent on applications that require use of XP could be exposed to increased operational risk. The Department expects credit unions to identify, assess, and manage these risks to ensure that safety, soundness, and the ability to deliver products and services are not compromised.



## ***Interest Rate Risk***

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The Department is increasingly concerned that certain credit unions may not be sufficiently prepared or positioned for sustained increases in, or volatility of, interest rates. Effectively managing interest rate risk is an important part of the business of credit unions, and unmitigated levels of interest rate risk can lead to losses and liquidity constraints when prevailing rates change significantly. Credit unions are strongly encouraged to analyze their exposure to interest rate volatility and take actions as necessary to mitigate potential financial risk. The Department will continue to review interest rate risk in the normal course of its examination activities and offer feedback as appropriate on credit union's risk measurement and mitigation processes to sustain earnings and preserve net worth.



## ***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>
November, 2013	Friday, November 15
December, 2013	Friday, December 13



## ***Applications Approved***

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Applications approved since September 18, 2013 include:

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<u>Credit Union</u>	<u>Changes or Groups Added</u>
<b><i>Field of Membership – Approved:</i></b>	
Neighborhood Credit Union (Dallas)	See Newsletter No. 09-12
MemberSource Credit Union (Houston) (#1-5)	See Newsletter No. 06-13
InTouch Credit Union (Plano)	See Newsletter No. 07-13
<b><i>Articles of Incorporation – Withdrawn:</i></b>	
YOUR Community Credit Union (Irving)	See Newsletter No. 09-13



## ***Applications Received***

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The following applications were received and will be published in the October 25, 2013 issue of the *Texas Register*.

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### ***Field of Membership Expansion:***

**Texas Dow Employees Credit Union**, Lake Jackson, Texas (#1). The proposal would permit persons who live, work, worship, or attend school in, and businesses and other legal entities located within a 10-mile radius of the branch office located at 1410 Research Forest Dr., Shenandoah, TX 77381, to be eligible for membership in the credit union.

**Texas Dow Employees Credit Union**, Lake Jackson, Texas (#2). The proposal would permit persons who live, work, worship, or attend school in, and businesses and other legal entities located within a 10-mile radius of the branch office located at 24250 Cinco Ranch Blvd., Katy, TX 77494, to be eligible for membership in the credit union.

**Texas Dow Employees Credit Union**, Lake Jackson, Texas (#3). The proposal would permit persons who live, work, worship, or attend school in, and businesses and other legal entities located within a 10-mile radius of the branch office located at 24706 Southwest Freeway, Rosenberg, TX 77471, to be eligible for membership in the credit union.

**Pegasus Community Credit Union**, Dallas, Texas (#1). The proposal would permit churches belonging to the Texas Conference of Seventh-Day Adventists located in Bowie, Brown, Coleman, Collin, Cook, Dallas, Denton, Eastland, Ellis, Erath, Grayson, Hill, Hood, Howard, Johnson, Kaufman, Navarro, Parker, Rockwall, Tarrant, Wichita, Wilbarger, and Young Counties, Texas, and their members, to be eligible for membership in the credit union.

**Pegasus Community Credit Union**, Dallas, Texas (#2). The proposal would permit employees of the Texas Conference of Seventh-Day Adventists who work in or are paid from the headquarters located in Alvarado, Texas, to be eligible for membership in the credit union.

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## *Applications Received*

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(Continued from Page 3)

**Anheuser-Busch Employees' Credit Union**, St. Louis, Missouri. The proposal would permit individuals, organizations and associations who are located, reside, or work within a ten mile radius of our branch located at 725 E. Belt Line Road, Cedar Hill, Texas 75104, Lake Jackson, Texas (#2) to expand its field of membership.

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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*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.*

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

