



Newsletter

No. 01-14



January 15, 2014



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

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:

- 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, February 21, 2014 beginning at 8:00 a.m. in the offices of CUD.

Mobile Phones

The increased popularity of mobile phones has some credit unions considering a "Bring Your Own Device" (BYOD) policy. While some credit union personnel may prefer to use a single device for business and personal communication, it requires extra support and expertise by the credit union's IT Department for multiple operating systems and devices.

Before adopting a BYOD policy, a credit union should complete a risk assessment to identify all potential vulnerabilities to the IT system. While it is a management decision to instigate and adopt new technology and policies, the benefits should be weighted with the costs, and appropriate policies and controls should be put in place before implementation.



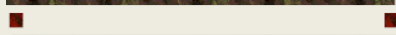
Notice of Rules Committee Meeting

The Credit Union Commission will hold a Rules Committee meeting on **Thursday, February 20, 2014, at 2:00 p.m.**, in the conference room of the Department. The draft agenda will be available on the CUD website the week of January 27th for your convenience.



Notice of Regular Commission Meeting

The Credit Union Commission will hold its regular meeting on **Friday, February 21, 2014, at 8:00 p.m.**, in the conference room of the Department. The draft agenda will be available on the CUD website the week of January 27th for your convenience.



Credit Unions Can Help Members Learn and Reach Their Financial Goals

In 2014, millions of people made New Year's Resolutions that included financial goals such as saving more money, paying off debt, or just understanding where their money goes and sticking to a budget. By the end of January, some of them may have already become discouraged about reaching those goals. Credit unions are uniquely positioned to offer members more than just a package of financial services, as member-owned community-based institutions, they can help members reach their financial goals and understand how to manage their money effectively. Credit unions may offer a variety of member-education services, from web-based video mini-lessons to live in-house seminars on personal finance topics such as making a budget, understanding the interest rates on loans, retirement options, and the financial basics for buying a home.

Credit unions can also offer incentives to encourage members to participate in educational activities and take actions to improve their financial health, whether it is free pizza at a financial literacy event or a prize-based savings program. This gives the credit union an opportunity to build goodwill and highlight its own products and services. Further, financially savvy members are less likely to default on obligations and educating members about difficult topics like cross-collateralization or repossession may help avoid complaints that come from member misunderstandings. Credit unions that take the time to meet the members' educational needs create a "win-win" for the individual and the institution.



Dealer Referral Programs

The Department has noted an increase in the non-traditional Dealer Referral Programs in credit unions. Like any other vehicle lending program, with proper controls and sound venter management practices, these programs can benefit the credit union by growing its auto loan portfolio. However, absent the proper controls and sound venter oversight, the programs can result in the credit union assuming significant risk and exposure to losses. Losses are being experienced at a disproportionate rate where credit unions are doing business with small car lots that are not affiliated with a major manufacturer. Where these programs exist, our examiners have been instructed to thoroughly review membership eligibility, collateral values, title work, loan underwriting, and the credit union's due diligence.



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>
February, 2014	Friday, February 14
March, 2014	Friday, March 14

Applications Approved

Applications approved since December 18, 2013 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change – Approved:</i>	
Pegasus Community Credit Union (Dallas) (#1) (Amended) Members of churches belonging to the Texas Conference of Seventh-Day Adventists located in Collin, Dallas, Denton, Ellis, Kaufman, and Rockwall Counties and the affiliated churches.	See Newsletter No. 10-13
Pegasus Community Credit Union (Dallas) (#2)	See Newsletter No. 10-13
Harlingen Area Teachers Credit Union (Harlingen)	See Newsletter No. 11-13
<i>Merger or Consolidation – Approved:</i>	
Educators CU (Waco) and Tribune Herald FCU (Waco)	See Newsletter No. 08-13
Corner Stone CU (Lancaster) and North Central PHM FCU (Dallas)	See Newsletter No. 10-13
<i>Articles of Incorporation Change – Approved:</i>	
Navy Army Community Credit Union (<i>Corpus Christi</i>)	See Newsletter No. 11-13
<i>Charter Change – Approved:</i>	
Skel-Tex Credit Union (Skellytown)	50 Years to Perpetuity
<i>Out of State Branch Office – Approved:</i>	
Eastman Credit Union (Longview)	See Newsletter No. 03-12



Applications Received

The following applications were received and will be published in the January 31,, 2014 issue of the *Texas Register*.

Articles of Incorporation:

YOUR Community Credit Union (Irving) – The credit union is proposing to change its name to **Mobility 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.

Upcoming Holiday Schedule for CUD

The Department's office will be closed on **January 20th** in observance of Martin Luther King, Jr., Day and on **February 17th** in observance of President's Day.

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

