



Newsletter

No. 07-14



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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:

Manuel Cavazos IV, Chair

Rob Kyker, Vice Chair

Gary D. Tuma

Gary L. Janacek

Sherri B. Merket

Allyson "Missy" Morrow

Kay Stewart

Vik Vad

A. John Yoggerst

Next Commission Meeting

Friday, October 17, 2014 beginning at 8:00 a.m. in the offices of CUD.

Non-Retaliation Policy

In carrying out the agency's mission, Department employees are required to make many decisions and take many actions involving legal and factual issues. In this context, questions can be, and have been, raised about the fairness of agency proceedings and retaliatory actions-against credit unions which challenge or criticize the Department.

The Department takes such concerns and allegations very seriously. Without question, credit unions are free to challenge agency positions and requirements, and to voice their views to the agency. One of the Department's fundamental duties is to be scrupulously fair, even-handed and objective. We can accept no less. Fear of retaliation among those we regulate may chill legal and policy discourse, depriving the Department of information crucial to sound judgments and decisions. The Department, therefore, strictly forbids retaliatory acts by its employees. As such, a credit union should feel confident that it will not be penalized for expressing its concerns about regulatory or supervisory activities.

Because of the critical importance of these issues, any allegations of retaliation should be reported immediately to the Commissioner. In addition, anyone with concerns about retaliation or related issues should contact that office. Such matters will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.



Cybersecurity Web Page

The Federal Financial Institutions Examination Council (FFIEC) has launched a Web page on cybersecurity (www.ffiec.gov/cybersecurity.htm). The FFIEC Web page provides links to joint statements, webinars, and other information that may help credit unions when thinking about the issue of cybersecurity.

Deputy Commissioner Resigns

On June 24, 2014, Deputy Commissioner Dan Buckley announced his intent to resign his position effective July 11, 2014. In making his announcement to staff, he told them that, "it was time to get back home, spend time with his family, and care for his 95 year old mother." However, Dan will not be taking any time off, as he begins a new job as Deputy City Manager for the City of Galveston on July 14, 2014. He said his commute will go from 60 minutes each way to 5 minutes each way. Dan said, "the City's offer listed numerous benefits, but one really hit home, credit union membership." Systems are in place to ensure business continues as usual while the search for a new Deputy Commissioner takes place. Chief Examiner Robert Baxter will temporarily assume the Deputy's duties until the position is filled.



Rule Activity at the Commission Meeting

Proposed amendments to Rule **91.501** (Director Eligibility and Disqualification), were up for adoption at the June Commission meeting. The Commission voted to adopt the amendments, which will require each credit union to develop an annual plan for director continuing education. The intent of the amendments is not to increase examiner scrutiny of the skills of individual directors but rather examiners will simply evaluate whether the credit union has a plan in place to make available training to enhance the knowledge of its directors. The revised rule can be reviewed at this ["link"](#).

In addition, the Commission voted to publish for comment proposed changes to Rule **91.209** (Call Reports and Other Information Request). The proposed amendments would increase the commissioner's authority to assess penalties when a credit union fails to file a timely and accurate quarterly call report. The proposed text is available at this ["link"](#).

The Commission also voted to publish for comment proposed changes to Rule **91.704** (Real Estate Lending). The proposed amendments would clarify the maturity limits for certain real estate loans. The proposed text is available at this ["link"](#).



Credit Union Online User Maintenance

This is a friendly reminder that credit union administrators are responsible for adding, editing, and deleting administrators, users and others with the Credit Union Basic Role for your credit union. Please review your designated users and remove any obsolete users. If you have any questions about using this function, you can refer to the Online Instructions Guide or contact the NCUA Technical Customer Support at (800) 827-3255.



Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§95.100** (Definitions), **95.101** (Share and Depositor Insurance Protection), **95.102** (Qualifications for an Insuring Organization), **95.103** (General Powers and Duties of an Insuring Organization), **95.104** (Notices), **95.105** (Reporting), **95.106** (Amount of Insurance Protection), **95.107** (Sharing Confidential Information), **95.108** (Examinations), **95.109** (Fees and Charges), **95.110** (Enforcement; Penalty; and Appeal), **95.200** (Notice of Taking Possession; Appointment of Liquidating Agent; Subordination of Rights), **95.205** (State not Liable for any Deficiency), **95.300** (Share and Deposit Guaranty Credit Union), **95.301** (Authority for a Guaranty Credit Union), **95.302** (Powers), **95.303** (Subordination of Right, Title, or Interest), **95.304** (Accounting for Membership Investment Shares), **95.305** (Audited Financial Statements; Accounting Procedures; Reports), **95.310** (Fees and Charges), and **95.400** (Requirements of Participating Credit Unions) 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 September 1, 2014.

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?

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## 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.

| <u>Publication Date</u> | <u>Application Deadline</u> |
|-------------------------|-----------------------------|
| August, 2014            | Friday, August 15           |
| September, 2014         | Friday, September 12        |

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Applications Approved

Applications approved since June 18, 2014 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change – Approved</i>	
Texas Trust Credit Union (Mansfield)	See Newsletter No. 04-14
<i>Merger or Consolidation – Approved</i>	
Hospitality FCU (Memphis, TN) and InTouch CU (Plano)	See Newsletter No. 02-14
FMC Technologies FCU (Houston) and Texas Dow Employees CU	See Newsletter No. 03-14

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## Applications Received

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The following applications were received and will be published in the July 25, 2014 issue of the *Texas Register*.

*Articles of Incorporation:*

**Tarrant County Credit Union** (Fort Worth) – The credit union is proposing to change its name to Tarrant County’s 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.

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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.



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

Happy Summer