



# Newsletter

No. 03-15



March 18, 2015



**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.*

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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
- 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, June 19, 2015 beginning at 8:00 a.m. in the offices of CUD.*

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## ***Rules Update to Credit Unions***

**Change 40**, the most recent rules update was sent to credit unions electronically on March 11, 2015. Please contact our office if you have any questions.



## ***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 to foster quality improvement and to provide a point of reference for areas where we may need to sharpen our focus. 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.



## ***New Financial Intern***

We are pleased to announce that Tommy Lam has been selected as the Department's Spring Student Intern. The Department's College Student provides students with a better understanding of the agency's role in the financial system while providing an opportunity for public service.

Mr. Lam is scheduled to graduate in May from the University of Texas with a Bachelor of Arts in Economics and a minor in Business Administration. In 2004 he participated in a CIEE Summer Program with Yonsei University in Seoul, South Korea. He has also received from the McCombs School of Business (Business Foundations Program) a certificate of honors with highest distinction. In his spare time, Tommy volunteers as a Tax Preparer for low-income individuals and families.



## ***Summer Internship Announcement***

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The Department is accepting applications for a paid Summer Student Intern until 5 pm Friday, April 17, 2015.

This program is open to students majoring in Economics, Banking, Finance, Accounting or other business related fields. An applicant must be currently enrolled in an under-graduate degree-seeking program with a junior or senior level standing to be eligible. The program has been designed to offer degree-related career experience as well as provide an opportunity to gain practical experience and training in the credit union regulatory field.

For further information, please visit our website at: <http://www.cud.texas.gov/>.



## ***Cyber Risk Oversight***

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Is your credit union prepared for a cyber-attack? This is a question that credit union directors should be asking their management team. In turn, management should be providing regular updates to the Board on its level of preparedness. The increasing frequency of cyber-attacks has increased the need for credit unions to maintain strong information security protocols. No credit union is exempt from such an attack. Credit unions must take appropriate steps to ensure that adequate risk mitigation practices and processes are in place in case of an attack.

Cyber-attacks can cause serious damage to a credit union's reputation, which says nothing of the financial impact that accompanies such an event. Due to the growing volume and sophistication of cyber-attacks, cybersecurity is an issue that every Board should be grappling with in order to mitigate the pitfalls associated with a breach. Accordingly, cybersecurity deserves regular and ongoing discussions at the Board and senior management level.



## ***State Chartered Credit Unions Responsive to Member Concerns***

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Although the credit union industry strives towards excellence in customer service, there are occasions when a member has a problem and reaches out to the Department to assist in the resolution of the problem. The Texas legislature has charged the Department with promptly and efficiently acting on complaints. This agency takes that responsibility seriously, investigating each complaint. Fortunately, the Department can typically rely on the credit unions to respond promptly and completely to the member's concerns, including supplying copies of appropriate documentation pertaining to the member's complaint. Complaints are generally resolved by providing information to help the member better understand the transaction that is the subject of their complaint. On the rare occasion when an error is discovered, credit unions usually work quickly to resolve the error and restore any lost funds to the member. Recently, credit unions have demonstrated high levels of customer service in response to complaints, going the extra mile to resolve member concerns and educating members to help them avoid problems in the future. The Department appreciates the time and effort our credit unions have taken to work with us in assisting their members.



## 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>
April, 2015	Friday, April 10
May, 2015	Friday, May 15

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## Applications Approved

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Applications approved since February 18, 2015 include:

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| <u>Credit Union</u>                                                            | <u>Changes or Groups Added</u> |
|--------------------------------------------------------------------------------|--------------------------------|
| <i>Field of Membership Changes – Approved:</i>                                 |                                |
| <b>Community Service Credit Union (#1)</b> (Huntsville)                        | See Newsletter No. 12-14       |
| <b>Community Service Credit Union (#2)</b> (Huntsville)                        | See Newsletter No. 12-14       |
| <i>Merger or Consolidation – Approved:</i>                                     |                                |
| <b>New Mount Zion Baptist Church CU</b> (Dallas) and <b>InTouch CU</b> (Plano) | See Newsletter No. 09-14       |

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## Applications Received

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The following application was received and will be published in the March 27, 2015 issue of the *Texas Register*.

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*Field of Membership Expansion:*

**Texas Bay Area Credit Union** (Houston) – To permit persons who live, work, attend school, or worship in and businesses and other legal entities located in the area bounded by State Highway 6 beginning at its intersection with I-45, northwesterly and north along State Highway 6 to its intersection with Farm-to-Market Road 1960, continuing east on Farm-to-Market Road 1960 to its intersection with State Highway 146, continuing south on State Highway 146 to its intersection with I-45 and State Highway 6, to be eligible for membership in the credit union.

**Texas Dow Employees Credit Union** (Lake Jackson) – To permit employees of Buc-ee’s, Ltd. Who work in, or are paid or supervised from its headquarters in Lake Jackson, Texas, to be eligible for membership in the credit union.

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## Applications Received

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Continued from page 3

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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### *Merger or Consolidation:*

An application was received from **Texas Dow Employees Credit Union** (Lake Jackson) seeking approval to merge with **TCC Credit Union** (Dallas). Texas Dow Employees Credit Union will be the surviving 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.



*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

