

## Foreign Credit Unions -- Certificate of Authority to Do Business in the State of Texas

The Credit Union Department, State of Texas, issues the Texas loan-to-deposit ratio that foreign credit unions will use to determine compliance with 7 TEX ADMIN. CODE §91.210(k). This ratio, which was calculated based upon CALL Report Data as of December 31, 2014.

In general, 7 TEX ADMIN. CODE TAC §91.210(k) prohibits a foreign credit union from using its branches in Texas for the purpose of share/deposit production. The subsection provides a process to test compliance with the statutory requirement. The process involves a loan-to-deposit ratio screen that compares a foreign credit union's statewide loan-to-deposit ratio to the loan-to-deposit ratio for credit unions in Texas. If a foreign credit union's statewide loan-to-deposit ratio in Texas is less than one-half of the Texas loan-to-deposit ratio, the foreign credit union is not eligible to expand its field of membership or open additional offices within the State of Texas.

The Texas loan-to-deposit ratio was calculated by separately totaling the loans and share/deposits for federal and state credit unions headquartered in Texas and then by dividing the sum of the loans by the sum of the deposits.

**2014 TEXAS LOAN-TO-DEPOSIT RATIO**

**79%**