



# Newsletter

No. 06-18



June 20, 2018



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The Credit Union Department (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:

Allyson "Missy" Morrow, Chair  
Sherri Brannon Merket, Vice Chair  
Elizabeth L. "Liz" Bayless  
Beckie Stockstill Cobb  
Yusuf E. Farran  
Steven "Steve" Gilman  
Jim Minge  
Kay Stewart  
Rick Ybarra

## Next Commission Meeting

Friday, July 13, 2018 beginning at 9:00 a.m. in the offices of CUD.

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## Member Business Loans

NCUA recently approved a change to its member business lending regulation that removes the member's occupancy requirement for loans secured by liens on 1-to-4-family dwellings. This change, however, does **not** apply to Texas-chartered credit unions since Texas-chartered credit unions are currently exempted from compliance with Part 723 of NCUA Rules and Regulations and are required to comply with the provisions of 7 TEX. ADMIN. CODE Section 91.709 (Member Business and Commercial Loans). Existing Rule 91.709 requires a 1- to 4-family dwelling to be the primary residence of a member in order to be excluded from the definition of a member business loan. As a result, loans secured by a non-owner occupied 1- to 4-family dwellings are still considered to be member business loans and they will continue to count towards the aggregate member business lending cap imposed on each Texas-chartered credit union.

At its next meeting, the Texas Credit Union Commission is tentatively scheduled to consider potential amendments to its member business lending rule to conform the rule with changes incorporated into the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018, which was recently signed into law by President Trump. These potential amendments remove the member's occupancy requirement for loans secured by 1- to 4-family dwellings and ultimately, if approved, would provide Texas-chartered credit unions parity with the changes to the federal regulation.

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## New Appointment to the Commission

**Elizabeth L. "Liz" Bayless** of Austin is retired as the executive vice president of the Texas State Affordable Housing Corporation. She is a volunteer for Foundation Communities and a former volunteer for Austin Habitat for Humanity and Capital Area Food Bank. Additionally, she is a former member of the Texas Mortgage Bankers Association. Her term will expire on February 15, 2019.

## ***Notice of Rules Committee Meeting***

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The Credit Union Commission will hold a Rules Committee meeting on Thursday, July 12, 2018 at 1:00 p.m., at the Department's conference room. The agenda and meeting packet will be available on our website on or about July 2, 2018.



## ***Notice of Regular Commission Meeting***

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The Credit Union Commission will hold its Regular meeting on Friday, July 13, 2018, at 9:00 a.m., in the Department's conference room. The agenda and meeting packet will be available on our website on or about July 2, 2018.



## ***Complaints and Member Service***

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The number of complaints received by the Department continues to steadily climb. Most members who complain about a credit union's conduct to the Department are responsible, hard-working people who are confused by something that happened at their credit union. Most of the time credit unions provide comprehensive responses to these complaints. Consumer education is provided to understand transactions, any errors are corrected promptly, and sometimes help is provided to a member who made an error.

Many complaints start off as member service related issues. Good member service can go a long way to reducing the number of complaints your credit union receives. Although member service is not a regulated area, how a member is treated can generate complaints which result in the credit union expending significant time and resources to research and resolve.

To reduce the time that your credit union spends with our agency responding to complaints, credit unions should provide us with a detailed description and timeline of the relevant events and include any supporting documentation addressing the issues in the complaint. If a document, handbook, policy, or a procedure is referenced in the credit union's response, then a copy of the referenced item should be provided with the response. In addition, the relevant sections of any provided documentation (loan agreement, membership account agreement, policy, etc.) should be highlighted. If requested documentation is not provided, the Department will generally follow up with the credit union and request the information again.

The credit union's legal duty in responding to complaints is to prove with adequate documentation that they investigated the complaint, and that the subject matter of the complaint was handled in accordance with applicable law(s). Please remember that a copy of the credit union's response will be given to the complainant, along with any supporting documentation. Therefore, if you have documentation that shouldn't be provided to the complainant, you need to mark such as "**confidential**".



## ***NASCUS State System Summit***

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The NASCUS Summit is quickly approaching (July 16-19). The Summit is the only national meeting focusing exclusively on the state credit union system. This national meeting brings together state credit union regulators and practitioners for mutual exchange and dialog. [Click here for hotel, registration, agenda information.](#)



## ***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 shown 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> |
|-------------------------|-----------------------------|
| July 2018               | Friday, July 13             |
| August 2018             | Friday, August 10           |



## ***Applications Approved***

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Applications approved since **May 16, 2018** include:

| <u>Credit Union</u>                                                       | <u>Changes or Groups Added</u>           |
|---------------------------------------------------------------------------|------------------------------------------|
| <i>Merger or Consolidation – Approved:</i>                                |                                          |
| <b>Houston Musicians FCU</b> (Houston) and <b>Space City CU</b> (Houston) | <a href="#">See Newsletter No. 06-17</a> |



## ***Applications Received***

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The following applications were received and will be published in the **June 29, 2018** issue of the *Texas Register*.

*Field of Membership:*

**Mobility Credit Union** (Irving) – Persons who live, worship, attend school or work in Collin County, to be eligible for membership in the credit union.

## *Applications Received (Continued)*

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**SPCO Credit Union** (Houston) – Employees and members of Rosenberg Railroad Museum, to be eligible for membership in the credit union.

**Texell Credit Union** (Temple) – Texas residents who are existing members of or who join the Texas Consumer Council, to be eligible for membership in the credit union.

**Brazos Valley Schools Credit Union** (Katy) – Persons who live, worship, work or attend school within the geographic boundaries of Sealy ISD, Royal ISD, Bellville ISD, Hempstead ISD, and Waller ISD, to be eligible for membership in the credit union.

**Texas Dow Employees Credit Union** (Lake Jackson) – Faculty, Staff and Students of the University of Houston-Downtown located at One Main Street, Houston, Texas, to be eligible for membership in the credit union.

*Articles of Incorporation:*

**Texas Workforce Credit Union** (San Antonio) – The credit union is proposing to change its name to Alamo City 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. 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.

*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

