
Credit Union Department



NEWSLETTER

No. 11-03

www.t cud.state.tx.us

November 30, 2003

NOTICE OF CONCURRENT COMMISSION MEETING

The Credit Union Commission will meet concurrently with the Finance Commission of Texas on Thursday, December 18, 2003, at 9:00 a.m. in Austin at the Texas State Capitol, 1110 North Congress Avenue, Capitol Extension, Room E1.030. The purpose of the concurrent meeting is to address various Home Equity Lending Interpretations.

NOTICE OF REGULAR COMMISSION MEETING

The Credit Union Commission will hold its regular meeting on Thursday, December 18, 2003, at 10:00 am or upon adjournment of the concurrent meeting. [Click here for a copy of the draft agenda.](#)

NOTICE OF DEBT CANCELLATION PRODUCTS

Credit unions are reminded that they must notify the Department in writing of their intent to offer any type of debt cancellation product. (A debt cancellation product is one which the credit union agrees to waive, suspend, defer, or cancel all or part of a member's obligation to pay an indebtedness under a lease, loan, or other extension of credit upon the occurrence of a specified event.) The written notice must be received by the Department at least 30 days prior to any such product being offered and

include a description of the types of debt cancellation products and the name of the insurer from whom the credit union will purchase the insurance policy to indemnify itself from losses resulting from operation of the products. Any credit union that has failed to provide the required notice should do so immediately. Compliance with all of the provisions of Commission Rule 91.403 will be reviewed in future examinations.

CREDIT UNION MEMBER COMPLAINTS FILED

During the past fiscal year, the Department processed 50 complaints from credit union members involving 38 credit unions. The complaints included issues such as cross-collateralization clauses in loan contracts, addition of single-interest insurance premiums to loan balances, disputed cash deposits, and a myriad of others. For every written complaint that is submitted, numerous calls from disgruntled members are either explained satisfactorily by Department staff, or the complainant does not follow-up with a formal written complaint. Although some of the complaint issues are the member's misinterpretation of a loan contract, account agreement, or other agreement, a number of complaints are about customer service issues and credit union policies. The Department appreciates the promptness with which all credit unions respond to written member complaints.

NEWSLETTER NOTICE

As required by statute, each agency must obtain an annual confirmation from individuals receiving a hard copy of a monthly publication at no charge. Specifically, the law requires that a notice be placed in three consecutive issues of the publication, and that anyone desiring to continue to receive a hard copy of the publication must so indicate in writing. In order to simplify the process, we have only included a return form in the newsletter of those persons who did not respond to our previous notice. **If a form is enclosed and you desire to continue to receive a hard copy of the Department's Newsletter, please submit the form to this office as soon as possible.**

Again, if you responded to last month's notice, you need not take any further action.

FILING OF IRS FORM 990, ORGANIZATIONS EXEMPT FROM INCOME TAX

Section 15.412 of the Texas Finance Code authorizes the Department to file a consolidated Form 990, Group Return with the Internal Revenue Service on behalf of all credit unions under the Department's jurisdiction. The Department was authorized by the Internal Revenue Service on June 18, 1976 to file a consolidated group return under Group Exemption Letter #2742.

Included with the mailing of the year-end call reports will be an authorization form to be completed by each credit union and returned to this office on or before **January 22, 2004**. The credit union will certify that the information submitted is true and correct and will authorize the Department to include the credit union's information in the group return.

Please note that credit unions having unrelated business income of \$1,000 or more are also individually responsible for filing an IRS Form 990-T.

PUBLISHING NOTICE OF APPLICATIONS IN THE TEXAS REGISTER

In order to meet the submission deadlines for the applicable issues of the Texas Register, it is necessary for the Department to establish the following schedule. Because of the Texas Register printing schedules, completed applications received after the deadline for the month cannot be published until the following month.

<u>Published In</u>	<u>Deadline for Receipt</u>
December 2003	Friday, December 12
January 2004	Friday, January 16
February 2004	Friday, February 13

HOLIDAY SCHEDULE FOR TCUD

The Department's office will be closed on **December 24-26** in observance of Christmas and **January 1** in observance of New Year's Day.



All of us join in wishing you a wonderful Holiday Season with the very best of everything in the coming new year!

APPLICATIONS APPROVED

Applications approved since October 31, 2003 include:

Field of Membership Change(s) Approved:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Community Credit Union (Plano) (#1)	See Newsletter No. 09-03
Community Credit Union (Plano) (#4)	See Newsletter No. 09-03
Community Credit Union (Plano) (#8)	See Newsletter No. 09-03
MemberSource Credit Union (Houston)	See Newsletter No. 10-03
Galleria Credit Union (Dallas)	See Newsletter No. 10-03
Texans Credit Union (Richardson) (#1)	See Newsletter No. 10-03

Field of Membership Change(s) Denied:

Community Credit Union (Plano) (#2)	See Newsletter No. 09-03
Community Credit Union (Plano) (#3)	See Newsletter No. 09-03
Community Credit Union (Plano) (#5)	See Newsletter No. 09-03
Community Credit Union (Plano) (#6)	See Newsletter No. 09-03
Community Credit Union (Plano) (#7)	See Newsletter No. 09-03
Community Credit Union (Plano) (#9)	See Newsletter No. 09-03
Community Credit Union (Plano) (#10)	See Newsletter No. 09-03
Community Credit Union (Plano) (#11)	See Newsletter No. 09-03

Articles of Incorporation Change(s) Approved:

Dallas County Employees Credit Union (Dallas)	See Newsletter No. 10-03
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APPLICATIONS RECEIVED

The following applications were received and published in the November 28, 2003 issue of the *Texas Register*.

Field of Membership Expansion(s):

Harlingen Area Teachers Credit Union (Harlingen) -- To permit employees of Echostar Communications Corporation who work in, are paid from or supervised from Harlingen, Texas, to be eligible for membership in the credit union.

Fort Worth City Credit Union (Houston) -- To allow all employees of the City of Fort Worth, Texas to be eligible for membership in the credit union.

Texas DPS Credit Union (Austin) – To permit persons who live, work or attend school within 10 miles of Texas DPS Credit Unions’ office located at 621 West St. Johns Avenue, Austin, Texas to be eligible for membership in the credit union.

OmniAmerican Credit Union (Fort Worth) – To permit the OmniAmerican Foundation, headquartered in Fort Worth, Texas, and the members and employees of the OmniAmerican Foundation, to be eligible for membership in the credit union.

Telco Plus Credit Union (Longview) (#1) – To permit persons who live or work in Rusk County, to be eligible for membership in the credit union.

Telco Plus Credit Union (Longview) (#2) – To permit persons who live or work in Upshur County, to be eligible for membership in the credit union.

Texas Dow Employees Credit Union (Lake Jackson) – To permit members and employees of the Friends of the Texas Credit Union Foundation who reside, work or attend school in the following geographical areas: Brazoria County, Fort Bend County, Matagorda County, Calhoun County, Wharton County, Galveston County, and Harris County within these geographical confines: Beginning at the intersection of Loop 610 and Highway 288 South; south to Highway 6; west to Highway 59; south to Highway 99; northwest to IH-10; east to Highway 6; north to Highway 290; southeast to Loop 610; south and east following Loop 610 then back to the intersection of the beginning point at Highway 288 South, to be eligible for membership in the credit union.

Reed Credit Union (Houston) – To permit employees of Grant Prideco, who work at or are supervised or paid from the offices located at 1450 Lake Robbins Drive, Suite 600, The Woodlands, Texas, who acquired companies currently in their field of membership, to be eligible for membership in the credit union.

TruWest Credit Union (Scottsdale, Arizona) – To permit anyone that works, lives or goes to school in Williamson County, Texas, to be eligible for membership in the 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.t cud.state.tx.us/applications.html>. 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.

Articles of Incorporation Change(s):

ChevronTexaco Employees Credit Union (Houston) -- The credit union is proposing to change its name to CTECU.

Community Credit Union (Plano) – The credit union is proposing to amend its Articles of Incorporation relating to indemnification of an employee or director, who acts in good faith while serving in their official capacity, from personal liability.

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 Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.