
Credit Union Department



NEWSLETTER

No. 08-06

www.tcu.state.tx.us

August 31, 2006

NOTICE OF LEGISLATIVE ADVISORY COMMITTEE MEETING

The Legislative Advisory Committee will meet in Austin on Friday, September 15, 2006, at 9:00 am, in the conference room of the Department. ([Click on the link to view the draft copy of the agenda](#)).

APPOINTMENT TO THE COMMISSION

Governor Perry has announced the appointment of William "Rusty" Ballard II to the Credit Union Commission. Mr. Ballard is the president of Ballard Wealth Management and a graduate from the University of Texas at Arlington. He is a registered general securities principal and a member of the National Association of Securities Dealers. Mr. Ballard serves as chairman of the Waxahachie Zoning Board of Adjustments, board member of the Waxahachie Chamber of Commerce, and is a founding member of the advisory board for the Court Appointed Special Advocates of Ellis County as well as a member of the Rotary Club in Waxahachie and chairman of the local crime stoppers organization. Mr. Ballard, whose term will expire February 15, 2009, replaces Richard Glasco of Georgetown, who resigned his position on the Commission.

GENERAL COUNSEL/ASSISTANT COMMISSIONER

We are happy to announce that Betsy Loar has joined the Department's staff as General Counsel/Assistant Commissioner. Ms. Loar most recently was employed as a reviewing attorney for the Texas Workforce Commission. She also served as General Counsel for Public Employees Credit Union for thirteen years. She is a graduate of the University of Texas School of Law and received a BA from Trinity University in San Antonio.

AUTHENTICATION IN AN INTERNET BANKING ENVIRONMENT

The National Credit Union Administration (NCUA) has issued Letter No. 06-CU-13 to remind credit unions that a year-end deadline for completing risk assessments of Internet-based member services and online authentications is approaching. Specifically, the Letter refers to a November 2005 directive that credit unions that provide Internet-based service must determine if appropriate authentication methodologies and technologies are in place to authenticate members. (<http://www.ncua.gov/letters/2006/CU/06-CU-13.pdf>)

Letter No. 06-CU-13 includes a frequently asked questions (FAQ) document created by the Federal Financial Institutions Examination Council (FFIEC) based on inquiries received by federal financial regulators since they jointly issued the authentication requirements.

NCUA's Letter also reiterates the agency's expectations that credit unions have some type of education program for members on fraud prevention and identity theft, as well a system to periodically evaluate the program's effectiveness to determine if additional member awareness efforts are needed.

OPERATING FEE

On August 31, 2006, the Operating Fee invoices for Fiscal Year 2007 were mailed to all credit unions. All fees must be received on or before **September 30, 2006** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.

CONSOLIDATED GROUP RETURN FOR TEXAS-CHARTERED CREDIT UNIONS

State credit unions are required under the federal Internal Revenue Code to file annually a Form 990 (informational return). Since 1976, the Department has prepared and filed with the IRS a Form 990 consolidated group return on behalf of state credit unions; however, the growing complexity of federal tax laws and the anticipated IRS pronouncement on Unrelated Business Income Tax (UBIT) raises concerns regarding the ability and appropriateness of the Department reporting an individual credit union's tax liability position. Accordingly, the Commission has directed its Legislative Advisory Committee to review and study the issues surrounding the Department's continued filing of the IRS 990 (Organization Exempt for Income Tax) Consolidated Group Return for Texas-chartered credit unions. Therefore, the Committee will take up and consider the matter on September 15, 2006. Credit unions with views on the subject may attend the scheduled meeting.

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 schedule included below. 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>
September, 2006	Friday, September 15
October, 2006	Friday, October 13

APPLICATIONS APPROVED

Applications approved since July 31, 2006 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
Neighborhood Credit Union (Dallas) (Conditional)	See Newsletter No. 04-05
InvesTex Credit Union (Houston) (Conditional)	See Newsletter No. 05-05
City Credit Union (Dallas)	See Newsletter No. 05-06
Public Employees Credit Union (Austin)	See Newsletter No. 05-06
Lincoln City Credit Union (Houston)	See Newsletter No. 03-06
Articles of Incorporation Change(s) Approved:	
Plus4 Credit Union (Houston)	See Newsletter No. 06-06
Merger(s) or Consolidations(s) Changes Approved:	
USECO CU with New Mount Zion Baptist Church CU	See Newsletter No. 05-06
Charter Change(s) Approved:	
Dallas Cotton Belt Employees Credit Union (Dallas)	50 Years to Perpetuity
Galleria Credit Union (Dallas)	50 Years to Perpetuity
Reed Credit Union (Houston)	50 Years to Perpetuity
The Education Credit Union (Amarillo)	50 Years to Perpetuity
LibertyOne Credit Union (Dallas)	50 Years to Perpetuity
EECU (Fort Worth)	50 Years to Perpetuity
Kraft America Credit Union (Garland)	50 Years to Perpetuity
United Energy Credit Union (Houston)	50 Years to Perpetuity
Pollock Employees Credit Union (Dallas)	50 Years to Perpetuity
Smart Financial Credit Union (Houston)	50 Years to Perpetuity
U.S. Employees Credit Union (The Woodlands)	50 Years to Perpetuity
Galveston Government Employees Credit Union (Galveston)	50 Years to Perpetuity
St. Joseph's Credit Union (San Antonio)	50 Years to Perpetuity

APPLICATIONS RECEIVED

The following applications were received and published in the August 25, 2006 issue of the *Texas Register*.

Field of Membership Expansion(s):

First Service Credit Union (Houston) – To permit employees of Brock Specialty Services Ltd., who work in or are supervised from the South Texas Project Electric Generating Stations, Wadsworth, TX 77483, to be eligible for membership in the credit union.

Firstmark Credit Union (#1) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Atascosa County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#2) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Bandera County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#3) (San Antonio) – To permit persons who live, work, worship or attend school in Bexar County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#4) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Comal County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#5) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Guadalupe County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#6) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Kendall County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#7) (San Antonio) – To permit persons who live, work, worship or attend school in and businesses located in Medina County, Texas, to be eligible for membership in the credit union.

Firstmark Credit Union (#8) (San Antonio) -- To permit persons who live, work, worship or attend school in and businesses located in Wilson County, Texas, to be eligible for membership in the credit union.