
Credit Union Department



NEWSLETTER

No. 09-06

www.tcu.d.state.tx.us

September 30, 2006

NOTICE OF CONCURRENT COMMISSION MEETING

The Credit Union Commission will meet concurrently with the Finance Commission of Texas on Friday, October 20, 2006, 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. ([Click here for a copy of the agenda](#)).

NOTICE OF REGULAR COMMISSION MEETING

The Credit Union Commission will hold its regular meeting on Friday, October 20, 2006, at 10:00 a.m., or 15 minutes after the adjournment of the concurrent meeting in Austin at the Texas State Capitol, 1110 North Congress Avenue, Capitol Extension, Room E1.030. ([Click here for a copy of the agenda](#))

IRS 990 REQUEST

The Department has learned certain Texas chartered credit unions have received an Internal Revenue Service "Request For Information About Tax Return" relating to their 12/31/2005 Form 990 filing. If a credit union receives this notice they should complete Sections I, II and III of the IRS form as outlined below. A copy of the form should be mailed to the IRS per the instructions given on the request.

Instructions:

Complete Section I: Add the following comment. *"See attached group return filing."*

Complete Section II: check the box marked "Filed as part of a group return". Fill in the following information:

Central Organization's Name: Credit Union Department of the State of Texas

Central Organization's EIN: 74-1646003

Group Return EIN: 74-6062733

Group Exemption Number: 2742

IRS 990 Request (Continued):

Complete Section III: Add the following comment. *“This is a group return filing completed by the Credit Union Department of the State of Texas.”*

A copy of the 990 filing for 12/31/05 is to be mailed with the completed Request. A full version of the group filing can be found at the following link:

<http://www.tcup.state.tx.us/PDFFiles/2005-990.pdf>

5300 CALL REPORT DEADLINE

Call report booklets and template instructions as well as the program disk for the quarter ending September 30, 2006 were mailed to each credit union on September 29th.

The call report data disk must be received in the Department’s office or the data transmission files uploaded directly by “eSend” on or before **October 24, 2006**. Reports received after that date will be assessed a late fee.

Please direct any questions to Isabel Velasquez, Executive Assistant to the Commissioner or Robert Baxter, Chief Examiner at (512) 837-9236.

INTERNET BANKING AUTHENTICATION

Credit unions that provide their members internet banking services must complete a risk assessment of the program and enhance their authentication method by year-end 2006. Based on the joint guidance provided by the agencies of the Federal Financial Institutions Examination Council (FFIEC), a single-factor authentication such as user name and password will no longer be considered an adequate security control mechanism. The guidance applies to all transactions involving access to nonpublic personal member information or fund transfers. Additional information on this subject may be found in the Letter to Federally Insured Credit Union - *Guidance on Authentication in Internet Banking Environment* issued by the NCUA in November 2005.

OVERDRAFT PROTECTION PROGRAM

Overdraft protection programs must be reported on the credit union’s financial statement and 5300 Call Report in accordance with generally accepted accounting principles. The call report instructions specify that overdraft protection advances be reported as “All other Unsecured Loans/ Lines of Credit”. Accordingly, overdraft losses from the extension of credit are to be charged off against the allowance for loan and lease losses. Unfunded overdraft protection commitments must also be reported on the call report as a loan commitment.

CRIMINALS DUPLICATE NCUA LOGO AND WEBSITE

The National Credit Union Administration (NCUA) has discovered that its name, logo, and website are being used repeatedly in spammed messages to obtain personal account information and personal identification numbers (PINs).

Criminals Duplicate NCUA Logo and Website (Continued):

NCUA is encouraging credit unions to alert their members never to respond to emails that appear to be from their agency, since NCUA would not directly contact credit union members and would never ask for personal account information.

A downloadable brochure for credit unions to distribute to their members is available at: <http://www.ncua.gov/Publications/brochures/IdentityTheft/PhishBrochure-Web.pdf>.

COMPLAINT PROCEDURE

When the Department receives a complaint, it forwards it to the targeted credit union for a response. It would be helpful, and would speed up the process, if the credit union included documentation to support its response. This will reduce phone calls to the credit union asking for additional information or documents. Please keep in mind that the Department will send a copy of the credit union's response to the member.

LESSONS LEARNED FROM HURRICANE KATRINA

Earlier this summer, the NCUA and the federal banking regulators that comprise the Federal Financial Institutions Examination Council (FFIEC) released a booklet entitled *LESSONS LEARNED FROM HURRICANE KATRINA: Preparing Your Institution for a Catastrophic Event*. The booklet communicates financial institutions' experiences and lessons learned in the aftermath of Hurricane Katrina that credit unions may find helpful in considering their readiness for a catastrophic event.

The lessons learned booklet is available on the FFIEC's web site at: http://www.ffiec.gov/katrina_lessons.htm.

DISASTER PREPAREDNESS & RESPONSE

The Department's examiners recently received a new examination questionnaire, which is intended to provide a standard framework for reviewing the key elements of disaster preparedness and response planning. The events of last year highlight the importance for credit unions to perform ongoing reviews of their Disaster plans, and for any credit union that wishes to perform a self-evaluation of their disaster preparedness efforts, the questionnaire is available at: <http://www.ncua.gov/news/express/xfiles/06-CU-12.pdf>.

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.

Published In

October, 2006
November, 2006

Deadline for Receipt

Friday, October 13
Friday, November 10

APPLICATIONS APPROVED

Applications approved since August 31, 2006 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
Smart Financial Credit Union (Houston) (Conditional)	See Newsletter No. 12-05
CTECU (Houston) (#1)	See Newsletter No. 06-06
CTECU (Houston)	See Newsletter No. 06-06
Members Choice Credit Union (Houston)	See Newsletter No. 06-06
Charter Change(s) Approved:	
Firstmark Credit Union (San Antonio)	50 Years to Perpetuity
United Credit Union (Tyler)	50 Years to Perpetuity
GECU (El Paso)	50 Years to Perpetuity
Federal Employees Credit Union (Texarkana)	50 Years to Perpetuity
Cabot & NOI Employees Credit Union (Pampa)	50 Years to Perpetuity
Corpus Christi Postal Employees CU (Corpus Christi)	50 Years to Perpetuity
SAFE Credit Union (Beaumont)	50 Years to Perpetuity
Waco Postal Credit Union (Waco)	50 Years to Perpetuity
Amarillo Postal Employees Credit Union (Amarillo)	50 Years to Perpetuity
Credit Union of Texas (Dallas)	50 Years to Perpetuity

APPLICATIONS RECEIVED

The following applications were received and published in the September 29, 2006 issue of the *Texas Register*.

Field of Membership Expansion(s):

TexasOne Community Credit Union (Houston) -- To permit persons who live, work or attend school in, worship in, and businesses within a ten mile radius of branch offices located at: 12811 Northwest Freeway, Houston, Texas 77040; 17337 Spring-Cypress, Suite E, Cypress, Texas 77429; 5201 Highway 6, Suite 650, Missouri City, Texas; 13730 Alice Road, Suite A, Tomball, Texas 77377, to be eligible for membership in the credit union.

Resource One Credit Union (Dallas) – To permit individuals who work or reside in Harris County, Texas, excluding persons eligible for primary membership in an occupation or association based credit union with less than 20,000 members as of the date of this amendment, having an office within this area, to be eligible for membership in the credit union.

MemberSource Credit Union (Houston) – To permit employees of Southwest Impreglon, Inc., and their subsidiaries, affiliates or successors, who work in, are paid or supervised from Houston, Texas, to be eligible for membership in the credit union.

Lone Star Credit Union (Dallas) – To permit people who live and/or work in and business entities within a 10 mile radius of Lone Star Credit Union main office location of 7508 Ferguson Road, Dallas, Texas 75228, to be eligible for membership in the credit union.

Applications Received (Continued):

Concho Valley Credit Union (San Angelo) – To permit persons who live, work, or worship in Tom Green 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.tcred.state.tx.us/applications/special_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):

Associated Credit Union of Texas (Deer Park) – The credit union is proposing to amend its Articles of Incorporation relating to place of business.

Access Credit Union (Amarillo) -- The credit union is proposing to change its name to Access Community 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 Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

