



Newsletter

No. 08-11



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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.*

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:

Thomas F. Butler, Chair
Manuel Cavazos IV, Vice Chair
Gary L. Janacek
Dale E. Kimble
Sherri B. Merket
Allyson Morrow
Rob Kyker
Gary D. Tuma
A. John Yoggerst

Next Commission Meeting

Friday, October 21, 2011 beginning at 8:00 a.m. in the offices of CUD.

Online Security Practices

The continued growth of Internet banking and the increased sophistication of threats to the online environment have resulted in higher risks for credit unions and their members. Recently NCUA issued a Letter to Credit Unions No. **11-CU-09**, which provides guidance that clarifies regulatory expectations in the areas of annual risk assessments, member authentication, layered security controls, and member awareness and education programs. The Letter is applicable whether a credit union offers services directly or through a technology service provider. Beginning in 2012, examiners will assess credit unions offering electronic services under the enhanced expectations prescribed in the guidance.



Operating Fee

On August 26, 2011, the invoices for the first installment of the Operating Fee for Fiscal Year 2012 were mailed to all credit unions. All fees must be received on or before **September 30, 2011** to avoid the payment of any penalties. If you did not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.



Holiday Schedule for TCUD

The Department's office will be closed on **September 5, 2011**, in observance of Labor Day.



Republication of New Rules for Residential Mortgage Loan Originators Employed by a CUSO

The Department recently discovered that the published version of the new rules for residential mortgage loan originators employed by a CUSO (7 TAC Chapter 91, Subchapter K, §§91.2000 through 91.2007) in the July 1, 2011 issue of the *Texas Register* was not the version that was approved by the Commission at its June meeting. The version approved by the Commission has been posted on the Department's website ([Proposed Rules](#)) and will be published in the September 16, 2011 issue of the *Texas Register* for a thirty-day comment period ending on October 16, 2011. While the correct version does not vary substantively from the withdrawn version, credit unions and CUSO employees affected by the rules are urged to review them for possible comment. The Department will consider comments already received on these rules, as well as any received as a result of the republication.

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## ***New Payoff Statement Requests***

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Credit unions may have heard discussion of new mortgage payoff statement requirements that will become effective September 1, 2011. While HB 588, enacted by the 82<sup>nd</sup> Legislature, is effective September 1, the provisions do not become mandatory until 90 days after the Finance Commission adopts rules for the payoff statement. These rules are being developed and should be proposed in October. With a probable adoption date in December, the compliance date will be March, 2012. While the Finance Code exempts state-chartered credit unions from the provisions of Chapter 343, credit unions are encouraged to cooperate with these payoff requests when they become effective. As the compliance date approaches, we will provide a summary of the requirements.

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Credit Union Online Access

The NCUA has recently improved the security on its website. As a result, credit unions may experience problems accessing the login page to the Credit Union Online. Credit unions using Windows 2000 and older operating systems are no longer supported by Microsoft and do not support the SHA-2 certificate standard for encryption. NCUA recommends credit unions upgrade to an operating system that supports SHA-2 such as Windows 7, Windows Vista, and Windows XP SP3 or later. An email message from NCUA was recently sent to credit unions with an attached "hot fix" in hopes of resolving the issue. If you continue to have difficulty, please contact NCUA's Customer Technical Support at (800) 827-3255.

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## ***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 included 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> |
|-------------------------|-----------------------------|
| September, 2011         | Friday, September 16        |
| October, 2011           | Friday, October 14          |

## *Applications Approved*

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Applications approved since July 31, 2011 include:

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| <u>Credit Union</u>                                      | <u>Changes or Groups Added</u> |
|----------------------------------------------------------|--------------------------------|
| <i>Merger or Consolidation – Approved:</i>               |                                |
| <b>Benchmark Credit Union with Complex Community FCU</b> | See Newsletter No. 05-11       |

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Applications Received

The following applications were received and published in the August 26, 2011 issue of the Texas Register.

Field of Membership Expansion:

Cabot & NOI Employees Credit Union (Pampa) -- To permit employees of Briarwood Church, 1800 W. Harvester, Pampa, TX 79065, to be eligible for membership in the credit union.

Qualtrust Credit Union (Irving) -- To permit persons who live, work, worship or attend school in, businesses and other legal entities located within a 10-mile radius of the Qualtrust Credit Union member service facility located at 3800 Cheek Sparger Road, Bedford, Texas 76021, 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.cud.texas.gov/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.

Merger or Consolidation:

An application was received from **People's Credit Union of Abilene** (Abilene) seeking approval to merge with **Abilene Teachers Federal Credit Union** (Abilene), with the latter being the surviving credit union.

An application was received from **Metroplex Credit Union** (Carrollton) seeking approval to merge with **Resource One Credit Union** (Dallas), with the latter being the surviving 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 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

