



Newsletter

No. 12-11



December 2011



Credit Union Department
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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, February 17, 2012 beginning at 8:00 a.m. in the offices of CUD.

Newsletter Publication Adjustment

The New Year will begin shortly and with it will come a new publication date for the Department's Newsletter. Beginning in January, the Newsletter will be published on the 3rd Wednesday of each month. With this earlier publication date, we will not only provide credit unions more lead time for future requirements and deadlines but also better align the delivery of the Newsletter with the submission deadline for the *Texas Register*.



Protecting Information Security

Recent security breaches have highlighted the need for credit unions and their technology service providers (TSPs) to perform periodic risk assessments of their information security programs. Most security-related incidents occur because of the lack of basic controls that allow attackers to gain entry into a target environment. Once attackers have entered an environment, they typically use sophisticated tools and techniques to gain access to sensitive data or systems. The increasing sophistication of the tools and techniques attackers use often includes stealth or other means that make their detection more difficult.

The Department expects credit unions and their TSPs to review carefully the NCUA Letter to Credit Unions [No. 11-CU-09](#). The Letter updates regulatory expectations regarding member authentication, layered security, and other controls in the increasingly hostile online environment.



Prompt Corrective Action

Federally-insured credit unions are subject to the prompt corrective action requirements of the federal regulations. When a credit union's net worth ratio falls below the "well-capitalized" regulatory standard of 7.0%, the credit union is required to increase the dollar amount of net worth by 0.1% from current earnings in each calendar quarter. If the credit union's net income will not be sufficient to achieve this earnings retention standard, a waiver must be requested from the Credit Union Department and the NCUA. A waiver request should be submitted jointly to the Credit Union Department and the NCUA regional office at least 15 days prior to the end of each calendar quarter. Additional information regarding the earnings retention and reserve transfer requirements is detailed in Part 702 of the NCUA's Rules and Regulations.



User Maintenance in Credit Union Online

It is the responsibility of each credit union to add, edit and delete users from the NCUA's Credit Union Online. Credit unions are encouraged to periodically review their designated users and make any necessary adjustments. If you have any questions about this functionality, please contact OCIO Technical Support at (800) 827-3255 or Isabel Velasquez at (512) 837-9236.



2012 Meeting Schedule

Rules Committee Meetings

Thursday, February 16, 2012
Thursday, June 21, 2012
Thursday, October 18, 2012

Commission Meetings

Friday, February 17, 2012
Friday, June 22, 2012
Friday, October 19, 2012

The Rules Committee meetings will begin at **1:00 p.m.**, and the Commission Meetings at **8:00 a.m.**, unless notified differently.



Publication Deadlines

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.

Publication Date

January, 2012
February, 2012

Application Deadline

Friday, January 13
Friday, February 10

Applications Approved

Applications approved since November 30, 2011 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change – Approved:</i>	
First Service Credit Union (Houston)	See Newsletter No. 10-11
<i>Field of Membership Change – Denied:</i>	
Your Community Credit Union (#1) (Irving)	See Newsletter No. 10-11
<i>Merger or Consolidation – Approved:</i>	
Texas First Choice FCU (Irving) and Prestige Community CU (Dallas)	See Newsletter No. 06-11
People’s CU (Abilene) and Abilene Teachers FCU (Abilene)	See Newsletter No. 08-11
San Jacinto Area CU (Pasadena) and TX Dow Empl. CU (Lake Jackson)	See Newsletter No. 09-11



Applications Received

The following applications were received and published in the December 30, 2011 issue of the Texas Register.

Field of Membership Expansion:

First Class American Credit Union (Fort Worth) – To permit persons who live, work, attend school, or worship in and businesses located in Tarrant 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.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.

Articles of Incorporation Change:

Waco Postal Credit Union (Waco) – The credit union is proposing to change its name to Linkage 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.



Newsletter Notice

As required by statute, each state agency must obtain an annual confirmation from individuals receiving a paper copy of a monthly publication at no charge. Specifically, the law requires that a notice be placed on three consecutive issues of the publication, and that anyone desiring to continue to receive a paper copy of the publication must so indicate in writing. **(For those receiving an electronic link of the newsletter, no action is required).** Faxes are welcomed.

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## ***Upcoming Holiday Schedule for CUD***

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The Department's office will be closed on January 16, 2012 in observance of Martin Luther King, Jr., Day.

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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.

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To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752



*The Credit Union Commission and the Staff of the Department would like to extend our best wishes for a New Year of health, happiness, and prosperity!*