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# Credit Union Department



## NEWSLETTER

No. 05-11

[www.t cud.state.tx.us](http://www.t cud.state.tx.us)

May 31, 2011

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### Notice of Rules Committee Meeting

The Rules Committee will hold its next regularly scheduled meeting on Thursday, June 16, 2011, at 1:30 p.m., at the offices of the Department. The agenda is available on the CUD website for your convenience ([click here for agenda](#)).

### Notice of Commission Meeting

The Credit Union Commission will hold its next meeting on Friday, June 17, 2011, at 8:00 a.m., in the conference room of the Department. The agenda is available on the CUD website for your convenience ([click here for agenda](#)).

### Department Receives National Accreditation

The Department has received professional accreditation from the National Association of State Credit Union Supervisors (NASCUS), certifying that the Department maintains the highest standards and practices in state credit union supervision.

The NASCUS Accreditation Program identifies credit union departments that serve the citizens of their state by operating a capable and professional regulatory program. The Department is required to complete annual reviews to maintain its accredited status and also undergo a complete re-accreditation process very five years. The Department was first accredited in 1996 and has maintained its accreditation for over 15 years.

The rigorous accreditation process begins with a self-evaluation, which reviews all aspects of the Department's operations, its mission, policies, procedures, funding, and statutory authority. A review team of veteran state credit union regulators visits the department to determine whether it can effectively fulfill its responsibilities of chartering, regulating, and supervising the state's credit unions. The review team reports its findings and makes a recommendation to the NASCUS' Performance Standards Committee, which votes on the final accreditation decision.

## Appraisal Guidelines: Use of Tax Appraisals

In December, the National Credit Union Administration (NCUA), along with the Federal Banking Agencies, issued appraisal guidelines updating guidelines issued in 1994. The guidelines also incorporate certain requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).

As part of that guidance, Appendix B, *Evaluations Based on Analytical Methods or Technological Tools*, discusses how a tax assessment valuation may be used in the appraisal and evaluation process. In most cases, a federally insured credit union may not rely solely on a tax appraisal to support the transaction. The credit union must also document the validity of the tax appraisal and must develop policies and procedures that specify the extent of additional information needed for an evaluation. The appraisal guidelines can be found at: <http://www.ncua.gov/letters/2010/CU/10-CU-23attachment.pdf>. The discussion of tax assessment valuations is on page 35 of the guidelines.

## Department to Change its Domain Name

The Texas Department of Information Resources has designated [texas.gov](http://texas.gov) as the primary domain name for Texas government entities. Accordingly, the Department is moving to the new uniform domain name. The Department's new web address will be [www.cud.texas.gov](http://www.cud.texas.gov). Additionally, Departmental e-mail addresses will also change to [firstname.lastname@cud.texas.gov](mailto:firstname.lastname@cud.texas.gov).

Although both the old and new addresses will continue to work until December 31, 2011, we encourage credit unions to begin updating any literature, disclosures, or notices referencing the Department's website or e-mail address as soon as possible. As an example, all credit unions must update their complaint notice (Rule 91.121) to reflect the new website: Website: [www.cud.texas.gov](http://www.cud.texas.gov).

## Dodd-Frank (Regulation CC) Change Effective July 21

The Dodd-Frank Act contains a provision amending the Expedited Funds Availability Act (Regulation CC) that -- effective July 21, 2011 -- requires credit unions to make \$200 available for withdrawal on the business day after a deposit. Credit unions currently must make \$100 available on the business day after a deposit.

The Federal Reserve on March 3 released comprehensive changes to update Regulation CC, but those provisions are independent of the Dodd-Frank provisions and are unlikely to be finalized by the July 21 effective date of the increased-amount availability change.

Unless a credit union already provides next-day availability, it should: change its account-opening notices to indicate that as of July 21, 2011, the first \$200 of deposits will be available on the business day after deposit; provide a change-of-terms notice no later than 30 days after the change; and adjust its systems so that the first \$200 is available for deposit on the business day after deposit.

## Residential Mortgage Loan Originators

Under the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) and NCUA's final rules (Part 761) issued on July 28, 2010, residential mortgage loan originators employed by a credit union must register with the Nationwide Mortgage Licensing System and Registry (Registry), obtain a unique identifier from the Registry, and maintain this registration.

The initial period for this federal registration concludes on July 29, 2011. After this period expires, any existing employee or newly hired employee of a credit union who is subject to the registration requirements will be prohibited from originating residential mortgage loans without first obtaining a federal registration.

## 2011 Annual Survey Questionnaire

We would like to thank each of you that participated in the 2011 Annual Survey. The feedback we received from credit unions is valuable, and the Department is committed to enhancing its examination and regulatory oversight. We are pleased by the positive comments we received, especially given the operational challenges that credit unions have been facing.

We appreciate all of the views expressed and would like to encourage you to provide additional comments or suggestions throughout the year. The agency relies on your feedback to identify concerns. Your thoughtful comments contribute to the success of our agency.

## 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>
June, 2011	Friday, June 10
July, 2011	Friday, July 15

## Applications Approved

Applications approved since April 30, 2011 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:  <b>Reeves County Teachers Credit Union (Pecos)</b>	  See Newsletter No. 03-11

Charter Change Approved:

**Dallas TxDOT Credit Union** (Mesquite)

50 Years to Perpetuity

**Highway District 19 Employees Credit Union** (Atlanta)

50 Years to Perpetuity

## Applications Received

The following applications were received and published in the May 27, 2011 issue of the Texas Register.

Field of Membership Expansion(s):

**First Service Credit Union** (Houston) -- To permit employees of Horizon Outreach located at 27906 Tessie Hills Lane, Spring, Texas 77386, 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 [Bylaw/Charter Forms](#). 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.

Merger or Consolidation:

An application was received from **Benchmark Credit Union** (Midland) seeking approval to merge with **Complex Community Federal Credit Union** (Odessa), with the latter being the surviving credit union. In accordance with Texas Finance Code §122.005(b) and 7 TAC §91.104(b), the Commissioner has the authority to waive or delay public notice of an action.

An application was received from **Stewart Credit Union** (Houston) seeking approval to merge with **Chevron Federal Credit Union** (Oakland, CA), with the latter being the surviving credit union.

The following application was received and will be published in the June 3, 2011 issue of the Texas Register.

An application was received from **Members Credit Union** (Cleburne) seeking approval to merge with **H-F Employees Federal Credit Union** (Crowley), with Members Credit Union 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 at <http://www.t cud.state.tx.us>.

Suggestions and comments concerning the newsletter or its content should be sent to the Department at 914 East Anderson Lane, Austin, Texas 78752-1699 or via email to [info@t cud.state.tx.us](mailto:info@t cud.state.tx.us).