



Newsletter

No. 10-11



October 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.

SAFE Act Renewal Process

The SAFE Act requires credit unions and mortgage loan originators (MLOs) that are Federally Registered to renew their registrations annually using the Nationwide Mortgage Licensing System & Registry (NMLS). The renewal period in NMLS begins November 1 and ends December 31 of each year. NMLS has resources on the renewal process at the following link: [Streamlined Annual Renewals](#) (Federal Registration).

According to Part 761 of the National Credit Union Administration Rules and Regulations, registrations that become initially active before July 1 must be renewed by the end of that same calendar year, as well as all subsequent years. Registrations initially made active after July 1 are not required to be renewed by the end of that same calendar year, but must be renewed in subsequent years.



Reporting of Known or Suspected Criminal Violations

Commission Rule 91.208 requires that each credit union provide written notice to the Department of certain crimes or suspected crimes. Notice must be submitted within 30 days of the discovery of any known or suspected criminal violations involving: 1) insider abuse of any amount; 2) other transactions aggregating \$5,000 or more, and; 3) losses resulting from a robbery or burglary. When applicable, a credit union may meet the reporting requirement by providing the Department a copy of a Suspicious Activity Report prepared in accordance with Part 748 of the NCUA's Rules and Regulations.



October Commission Meeting

At its meeting on October 21, 2011, the Commission adopted amendments to several rules under Subchapter H (Investments) of 7 TAC Chapter 91, as noted below, and adopted new **7 TAC Chapter 91, Subchapter K** to address the oversight of residential mortgage loan originators employed by CUSOs. The Commission also adopted amendments to **Rule 91.121** (Complaint Notification) to update the agency's website address and to include additional credit union contact information. As a result of the website address change, credit unions will need to change their complaint notices. Additionally, the Commission readopted **7 TAC Chapter 91, Subchapter O (Trust Powers)**.

Rule 91.802 was adopted with non-substantive changes to the proposal previously published in the Texas Register. In response to comments received, the Commission withdrew the amendments that would have changed the minimum ratings for various investments. **Rules 91.803, 91.804, and 91.805**, were adopted with no changes to the published version. Finally, in response to comments on the proposed revisions to **91.801**, the Commission voted to withdraw the proposal and republish a revised proposal for comment.

The Department will email copies of the amended rules to credit unions the week of November 7th. Credit unions can find the proposed and amended rules on the Department's website at www.cud.texas.gov. We have also added links to Finance Code Chapter 180 and 7 TAC Chapter 80, which relate to the new Subchapter K rules on residential mortgage loan originators employed by a CUSO.



Department Contacts

The Department is available to answer questions regarding regulatory issues that are within our purview. It should be noted that we cannot provide credit unions with legal advice, and any issue that requires a formal opinion by the Commissioner should be submitted in writing. For general questions regarding the topics included below, the appropriate staff member can be reached at (512) 837-9236. The individuals can also be contacted by email using the format: firstname.lastname@cud.texas.gov.

Examination-Related:	Robert Baxter or James Deese
Call Report:	Isabel Velasquez or Robert Baxter
Field of Membership:	Betsy Loar or Linda Clevlen
Rule/Compliance:	Robert Baxter, Betsy Loar or James Deese



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.

<u>Publication Date</u>	<u>Application Deadline</u>
November, 2011	Friday, November 11
December, 2011	Friday, December 16

Applications Approved

Applications approved since September 30, 2011 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes – Approved:</i>	
First Service Credit Union (Houston)	See Newsletter No. 05-11
Tarrant County Credit Union (Fort Worth)	See Newsletter No. 07-11
Southside Credit Union (San Antonio) (Amended) Members of Los Compadres de San Antonio Missions National Historic Park who live or work in Atascosa, Bexar or Wilson Counties, Texas.	See Newsletter No. 07-11
Cabot & NOI Employees Credit Union (Pampa)	See Newsletter No. 08-11
Qualtrust Credit Union (Irving)	See Newsletter No. 08-11
<i>Merger or Consolidation – Approved:</i>	
H-F Employees FCU (Crowley) and Members CU (Cleburne)	See Newsletter No. 05-11
<i>Charter Change – Approved:</i>	
Matagorda County Credit Union (Bay City)	50 Years to Perpetuity
<i>Charter Conversion – Approved:</i>	
Navy Army Community Credit Union (Corpus Christi)	Federal to State



Applications Received

The following applications were received and published in the October 28, 2011 issue of the Texas Register.

Field of Membership Expansion:

Navy Army Community Credit Union (#1) (Corpus Christi) – To permit persons who live, work, worship or attend school in, and businesses and other legal entities located within Hidalgo County, Texas, to be eligible for membership in the credit union.

Navy Army Community Credit Union (#2) (Corpus Christi) – To permit persons who live, work, worship or attend school in, and businesses and other legal entities located within Cameron County, Texas, to be eligible for membership in the credit union.

YOUR Community Credit Union (#1) (Irving) – To permit persons who live, worship, attend school, or work within a 15-mile radius of the YOUR Community Credit union branch located at 9143 Boulevard 26, Suite 660, N. Richland Hill, Texas 76180, to be eligible for membership in the credit union.

YOUR Community Credit Union (#2) (Irving) – To permit persons who live, worship, attend school, or work in Dallas County, Texas, to be eligible for membership in the credit union.

(Continued on Page 4)

Applications Received

(Continued from Page 3)

YOUR Community Credit Union (#3) (Irving) – To permit persons who live, worship, attend school, or work in Harris County, Texas, to be eligible for membership in the credit union.

First Service Credit Union (Houston) – To permit employees of Saxon Drilling L.P. located at 9303 New Trails, Suite 300, The Woodlands, Texas 77381, and its wholly or majority owned subsidiaries, to be eligible for membership in the credit union.

Anheuser-Busch Employees' Credit Union (St. Louis, Missouri) – To permit individuals, organizations and associations who are located, reside, or work within a ten mile radius of our branch located at 775 Gellhorn Dr., Houston, TX 77029, 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.



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.

Upcoming Holiday Schedule for TCUD

The Department's office will be closed on **November 11, 2011** in observance of Veterans Day.

The Department's office will be closed on **November 24-25, 2011** in observance of Thanksgiving



Proposed Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§91.301** (Field of Membership), **91.302** (Election or Other Membership Vote by Electronic Balloting, Early Voting, Absentee Voting, or Mail Balloting), **91.310** (Annual Report to Membership), and **91.315** (Members' Access to Credit Union Documents) of Title 7, Part 6 of the Texas Administrative Code in preparation for the Commission's Rule Review as required by Section 2001.039, Government Code.

An assessment will be made by the Commission as to whether the reasons for adopting or readopting these rules continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Comments or questions regarding these rules may be submitted in writing to, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or electronically to [info@cud.texas.gov](mailto:info@ cud.texas.gov). The deadline for comments is December 30, 2011.

The Commission also invites your comments on how to make these rules easier to understand. For example:

- Do the rules organize the material to suit your needs? If not, how could the material be better organized?
- Do the rules clearly state the requirements? If not, how could the rule be more clearly stated?
- Do the rules contain technical language or jargon that isn't clear? If so, what language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?
- Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?

Any proposed changes to these rules as a result of the rule review will be published in the Proposed Rule Section of the *Texas Register*. The proposed rules will be open for public comment prior to final adoption by the Commission.

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

