



# Newsletter

No. 08-12



August 2012



**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.*

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## **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, November 2, 2012 beginning at 8:00 a.m. in the offices of CUD.*

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## **Concentration Risk**

All credit unions have credit concentrations. In some cases, this is unavoidable due to a credit union's limited field of membership. In other cases, it is by choice as the credit union seeks to develop expertise in a particular segment. Whatever the reason, and despite the fact that each individual transaction within a concentration may have been prudently underwritten, collectively the transactions are sensitive to the same economic, financial, or business development events. If something triggers a negative development, the risk is that the sum of the transactions may perform as if it were a single, large exposure. Therefore, it is incumbent upon each credit union to ensure that it has an effective process in place to identify, measure, monitor, and control concentration risk. The credit union also needs to ensure that it maintains adequate net worth relative to those concentration risks.



## **Low-Income Credit Union Designation**

State-chartered credit unions may obtain the NCUA's low-income designation if a majority of the credit union's membership qualifies as low-income members. The low-income designation provides credit unions certain regulatory flexibility and allows them to participate in the Community Development Revolving Loan Program. Low-income members are defined as those members who earn 80% or less of the median family income for the metropolitan area where they live or the national metropolitan area, whichever is greater. Additional information regarding the low-income designation is available at [www.mycreditunion.gov](http://www.mycreditunion.gov) in the "About Credit Unions" tab.



## ***Operating Fee***

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On August 27, 2012 the invoices for the first installment of the Operating Fee for Fiscal Year 2013 will be mailed to all credit unions. All fees must be received on or before **September 30, 2012** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.

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

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The Department's office will be closed on **September 3, 2012**, in observance of Labor Day.

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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, 2012         | Friday, September 14        |
| October, 2012           | Friday, October 12          |

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## ***Applications Approved***

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Applications approved since July 18, 2012 include:

| <u>Credit Union</u>                                   | <u>Changes or Groups Added</u> |
|-------------------------------------------------------|--------------------------------|
| <i>Articles of Incorporation Change – Approved:</i>   |                                |
| <b>Energy Capital Credit Union</b> (Houston)          | See Newsletter No. 06-12       |
| <i>Field of Membership Changes – Approved:</i>        |                                |
| <b>Cabot &amp; NOI Employees Credit Union</b> (Pampa) | See Newsletter No. 06-12       |
| <b>West Texas Educators Credit Union</b> (Odessa)     | See Newsletter No. 06-12       |
| <i>Field of Membership Changes – Denied:</i>          |                                |
| <b>Texas Telcom Credit Union</b> (Dallas)             | See Newsletter No. 04-12       |

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## ***Applications Received***

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The following applications were received and will be published in the August 31, 2012 issue of the *Texas Register*.

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**Del Rio SP Credit Union** (Del Rio) -- To permit persons who live, work, attend school, or worship in Val Verde 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/page/bylaw-charter-applications>. 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

