



Newsletter

No. 04-13



April 17, 2013



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:

Manuel Cavazos IV, Chair
Gary D. Tuma, Vice Chair
Gary L. Janacek
Sherri B. Merket
Allyson "Missy" Morrow
Rob Kyker
Barbara "Kay" Stewart
Vik Vad
A. John Yogerster

Next Commission Meeting

Friday, June 21, 2013 beginning at 8:00 a.m. in the offices of CUD.

New Chairman Chosen for the Commission

Governor Perry has named Manuel "Manny" Cavazos IV as the new presiding officer of the Credit Union Commission. As Chairman, Mr. Cavazos serves at the pleasure of the Governor. He has served as a member of the Commission since 2006.

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## New Appointments to the Commission

**Barbara "Kay" Stewart** of Daingerfield, is President and CEO of North East Texas Credit Union. She is also a board member and secretary of the Daingerfield Lone Star Education Foundation and has served as board member for the Texas Credit Union League. Ms. Stewart whose term will expire February, 2019, replaces Dale Kimble, whose term expired.

**Vik Vad** of Austin, is a licensed real estate broker and president of Om Capital Management, Inc. He is also a member of the Austin Board of Realtors and a volunteer for the Capital Area Food Bank. Mr. Vad whose term will expire February, 2019, replaces Thomas Butler, whose term expired.

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Reappointed to Commission

Allyson "Missy" Morrow is President and CEO of Harlingen Area Teachers' Credit Union. She is also a board member of the United Way of Northern Cameron County and the Harlingen Boys and Girls Club. Ms. Morrow is being reappointed for a term to expire February 15, 2019.



Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal **Chapter 91, §§91.101** (Definitions and Interpretations), **91.103** (Public Notice of Department Decisions), **91.104** (Public Notice and Comment on Certain Applications), **91.105** (Acceptance of Other Application Forms), **91.110** (Protest Procedures for Applications), **91.115** (Safety at Unmanned Teller Machines), **91.120** (Posting of Notice Regarding Certain Loan Agreements), **91.121** (Complaint Notice), **91.125** (Accuracy of Advertising), **91.201** (Incorporation Procedures), **91.202** (Bylaw and Articles of Incorporation Amendments), **91.203** (Share and Deposit Insurance Requirements), **91.205** (Use of Credit Union Name), **91.206** (Underserved Area Credit Unions-Secondary Capital Accounts), **91.208** (Notice of Known or Suspected Criminal Violations), **91.209** (Call Reports and Other Information Requests), **91.210** (Foreign Credit Unions), **91.1003** (Mergers/Consolidations), **91.1005** (Conversion to a Texas Credit Union), **91.1006** (Conversions to a Federal or Out-of-State Credit Unions), **91.1007** (Conversion to a Mutual Savings Institution), **91.1008** (Conversion Voting Procedures and Restrictions; Filing Requirements), **91.3001** (Opportunity to Submit Comments on Certain Applications); and **91.3002** (Conduct of Meetings to Receive Comments) 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. The deadline for comments is May 6, 2013.

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.



Annual Credit Union Survey

The Department recently sent an email to each credit union president containing a link to our online survey. Each year the Department solicits comments from all state-chartered credit unions on such topics as the Department's examination process, examination report quality, and application procedures. If any credit union did not receive the email or is having problems with the link to the survey, please contact Isabel Velasquez at (512) 837-9236.

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## ***Credit Union Financial Trends and Rankings***

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Two reports are now available on our website. Under "Reports and Publications" tab and "CUD Financial and Statistical Reports" you can view both the 2012 Financial Trends and Credit Union Rankings by Asset. Anyone desiring a printed copy you may contact Isabel Velasquez at (512) 837-9236.

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Residential Rental Property Loan Term

The Department recently received an inquiry regarding the maximum permissible term for a loan for residential rental property. Commission Rule 91.704(d)(2) specifies that the maximum maturity for improved residential real estate loans (not owner-occupied, first lien) is 30 years. Commission Rule 91.704(d)(1) specifies that the maximum maturity for improved residential real estate loans (owner-occupied, first lien) is 40 years. "Owner-occupied residential real estate" is not defined in the law or rules under the Department's jurisdiction, but the Department looks to the definition of "improved residential property" in Rule 91.101(a)(15) when considering what is included in this category. A dwelling having one to four units, at least one of which is occupied by the owner on a full-time or seasonal basis, would be considered "owner-occupied residential real estate" by the Credit Union Department. (This informal interpretation supersedes the article on this topic in the Department's newsletter dated December 31, 2010.)

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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> |
|-------------------------|-----------------------------|
| May, 2013               | Friday, May 17              |
| June, 2013              | Friday, June 14             |

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Applications Approved

Applications approved since March 20, 2013 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
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Field of Membership – Approved:

Brazos Valley Schools CU (#3) (Katy) (Amended) See Newsletter No.12-12
Persons who live, worship, work or attend school within the geographical boundaries of Bryan ISD, College Station ISD, Brenham ISD or Burton ISD.

Merger or Consolidation – Approved:

District 1 THD CU (Paris) and Northeast Texas Teachers FCU (Paris) See Newsletter No. 11-12

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## ***Applications Received***

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The following applications were received and will be published in the April 26, 2013 issue of the *Texas Register*.

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### *Field of Membership Expansion:*

**Amarillo Postal Employees Credit Union** (Amarillo) – To permit persons who live, work, worship or attend school and businesses located within a 20 (twenty) mile radius of Amarillo Postal Employees Credit Union at 2400 Hobbs Road, Amarillo, 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 Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

### *Merger or Consolidation:*

An application was received from **InTouch Credit Union** (Plano) seeking approval to merge with **Dr. Pepper Employees Federal Credit Union** (Plano). InTouch Credit Union will be 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.

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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

