



# Newsletter

No. 03-13



March 20, 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.*

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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  
Gary D. Tuma, Vice Chair  
Manuel Cavazos IV  
Gary L. Janacek  
Dale E. Kimble  
Sherri B. Merket  
Allyson Morrow  
Rob Kyker  
A. John Yogerst

## **Next Commission Meeting**

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

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## **NCUA Free Webinar**

NCUA will be hosting a free webinar, "Examination Issues for 2013," on **Wednesday, March 27, at 2 p.m. Eastern**. NCUA will discuss how NCUA's examiners will evaluate a credit union's ability to manage operational and balance sheet risk. The presentation will cover topics that include:

- How credit unions can effectively manage interest rate and liquidity risk;
- How credit unions can control for concentration risk;
- How a credit union can measure and manage technology risks;
- Whether a credit union's internal controls are sufficient to deter and mitigate fraud, errors or other operational problems; and
- Whether a credit union's supervisory committee and audit functions are adequate for its size and complexity.

Registration for this free webinar is now open. You can access a link on NCUA's website by going to [www.ncua.gov](http://www.ncua.gov). Click on the News, Media and Events tab, then select Events from registration information.

Participants may submit questions in advance at [WebinarQuestions@ncua.gov](mailto:WebinarQuestions@ncua.gov). The subject line of the email should read "Examination Issues for 2013." For technical questions about accessing the webinar, please call 703-518-6440.



## **Rules Update to Credit Unions**

**Change 33**, the most recent rules update was sent to credit unions electronically on March 7, 2013. Please contact our office if you have any questions.



## ***Credit Unions and Regulators Embrace the Digital Age***

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Electronic communication is easier to use than ever before, and it is not just for social media and games. Many credit unions and members are using smart phones, e-readers, and tablets to access important information about their business and financial concerns. Credit unions are saving money and time by reducing the paper in their offices: receiving trade publications online and opting for electronic communication instead of “snail mail.” For credit unions and members, managing, storing, and accessing electronic documents is made easy and safe by secure “cloud” storage services. Blogs and social networking pages help credit unions connect with their existing members and reach out to prospective members. New e-receipt technology even allows credit unions to offer members an encrypted e-mail receipt of their transactions that is faster and less expensive than printing paper receipts and reduces the risks associated with losing a receipt containing the member’s personal information. Electronic statements, online transactions, mobile banking, and even savings incentive apps can help credit unions expand their appeal in a tech savvy market.

The Credit Union Department is also embracing technology to serve its customers quickly and efficiently. The Department website offers easy navigation to a wide range of resources relevant to state chartered credit unions. Department newsletters and other communications are offered to credit unions by e-mail and online, reducing paper waste and mailing expenses. We are currently reviewing our procedures to determine where technology can assist the Department in improving services to credit unions and members, as well as reducing operating costs. Suggestions and comments on the use of technology in Credit Union Department services may be e-mailed to [info@cud.texas.gov](mailto:info@ cud.texas.gov).



## ***Consumer Credit and Lease Transactions***

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The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank Act) amended the Truth in Lending Act (TILA), implemented by Regulation Z, and the Consumer Leasing Act, implemented by Regulation M, to expand consumer protections by increasing the thresholds for exempt consumer credit transactions and consumer leases from \$25,000 to \$50,000. In addition, the Dodd–Frank Act provided that, on or after December 31, 2011, these dollar thresholds must be adjusted by any annual percentage change in the consumer price index.

The Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau published adjusted exemption levels for Regulation Z and Regulation M on November 21, 2012. These adjustments reflect the annual percentage increase in the consumer price index that was in effect as of June 1, 2012. They were effective starting January 1, 2013.

Based on these adjustments, the protections of the TILA and the Consumer Leasing Act generally will apply to consumer credit transactions and consumer leases of \$53,000 or less in 2013. Private education loans and loans secured by real property (such as mortgages), however, continue to be subject to the TILA regardless of the amount of the loan.



## ***New FinCen Reports***

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Back in February 2012, the Financial Crimes Enforcement Network (FinCEN) issued a Final Notice requiring the electronic filing of most Bank Secrecy Act (BSA) reports by July 1, 2012. Specifically, this action mandates the electronic submission of Suspicious Activity Reports (SARs), Currency Transaction Reports (CTRs), Registration of Money Services Business (RMSBs), and Designation of Exempt Person Reports (DOEPs). Credit unions are reminded that they must begin using the new FinCEN reports, which are available only electronically through the BSA E-Filing System, by April 1, 2013.

View the entire notice at <http://www.fincen.gov/whatsnew/html/20130307.html>.



## ***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>
April, 2013	Friday, April 12
May, 2013	Friday, May 17



## ***Applications Approved***

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Applications approved since February 20, 2013 include:

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<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes – Approved:</i>	
<b>Grand Prairie Credit Union</b> (Grand Prairie)	See Newsletter No. 12-12
<b>Brazos Valley Schools Credit Union (#2)</b> (Katy)	See Newsletter No. 12-12
<b>Texas Bay Area Credit Union</b> (Pasadena)	See Newsletter No. 12-12
<b>EECU</b> (Fort Worth)	See Newsletter No. 01-13
<b>PosTel Family Credit Union</b> (Wichita Falls)	See Newsletter No. 01-13

*Field of Membership Changes – Denied:*

<b>Brazos Valley Schools Credit Union (#1)</b> (Katy)	See Newsletter No. 12-12
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## ***Applications Approved***

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*(continued from Page 3)*

*Merger or Consolidation – Approved:*

**Unity One CU** (Fort Worth) & **Argentine Santa Fe Industries CU** (Kansas) See Newsletter No. 11-12



## ***Applications Received***

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The following applications were received and will be published in the March 29, 2012 issue of the *Texas Register*.

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*Merger or Consolidation:*

An application was received from **InvesTex Credit Union** (Houston) seeking approval to merge with **StarTrust Federal Credit Union** (Houston). InvesTex 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.



*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

