



Newsletter

No. 03-14



March 19, 2014



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
Kay Stewart
Vik Vad
A. John Yoggerst

Next Commission Meeting

Friday, June 20, 2014 beginning at 8:00 a.m. in the offices of CUD.

Rules Update to Credit Unions

Change 36, the most recent rules update was sent to credit unions electronically on March 13, 2013. Please contact our office if you have any questions.



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 to foster quality improvement and to provide a point of reference for areas where we may need to sharpen our focus. 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



Credit Union Rankings

This report is now available on our website. Under "Reports and Publications" tab and "CUD Financial and Statistical Reports" you can view the 2013 Credit Union Rankings by Asset size.



IRS Form W-9 Not for Payments to Credit Union Department

The Department does not complete IRS Form W-9 as a payee of credit unions. It is the Department's position that assessments paid by credit unions are not payments subject to IRS Form W-9 reporting. Further, as a state agency, the Department is exempt from FACTA reporting and backup withholding. In the future, requests for W-9 completion will be returned to the requestor.



Invitation for Comments on Proposed Amendments

The Department is requesting comments on proposed changes to 7 Tex. Admin. Code §91.501. The proposed amendments would require the development and implementation of an annual plan for director continuing education. The proposed text is available at this [link](#).

The Department is also requesting comments on proposed changes to 7 Tex. Admin. Code §91.502. The proposed amendments would require disclosure of director meeting fees to the credit union's membership and also grants enforcement authorities to the Department to limit or prohibit the payment of meeting fees. The proposed text is available at this [link](#).



Late 5300 Report Submission

Although the majority of Texas State Chartered Credit Unions file 5300 reports timely and accurately, a small but significant number of late and inaccurate filers has prompted the Department to take steps to reduce late and inaccurate 5300 filings. All credit unions need to be aware of this policy for future submissions. The Department has no desire to assess fines; however, the failure of certain credit unions to submit timely reports, negatively impacts the ability of the Department and NCUA to aggregate information and perform supervisory functions.

7 Tex. Admin. Code §91.209(a) delineates the requirement for submission of the quarterly call report (5300). It also details a penalty the Commissioner may charge for each day or fraction of a day the report is in arrears. Beginning with the **March 2014 5300 cycle**, credit unions failing to submit timely reports will be assessed penalties for failure to meet required due dates. In addition, if a credit union tries to beat the deadline by submitting erroneous information, then makes substantial changes after the deadline, it may also be assessed a penalty.

The Department expects the penalty will serve as a deterrent to needless late or inaccurate reporting. Credit unions whose late reporting is caused by extraordinary extenuating circumstances may have the late fees waived at the discretion of the Commissioner. If you have any questions about due dates or 5300 guidance please contact your examiner or the Department directly.



March Liquidity Compliance Deadline

Credit unions are reminded that NCUA's new liquidity and contingency planning regulation becomes effective on March 31.

Under this regulation:

- Credit unions with less than \$50 million in assets would need to maintain a basic written emergency liquidity policy, but would not be required to take further action;

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March Liquidity Compliance Deadline

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- Credit unions with assets of \$50 million or more would be required to develop contingency funding plans describing how their credit union would address liquidity shortfalls in emergency situations; and
- Credit unions with assets of \$250 million or more would be required to have access to a backup federal liquidity source for emergency situations.

For more information on the new regulation please review [NCUA Letter to Credit Unions 14-CU-05](#).



Windows XP Support and Updates Ending

Credit unions are reminded that technical assistance for Windows XP will no longer be available after April 8, 2014, including automatic updates that help protect your computer and ATM. If you continue to use Windows XP after support ends, your computer and ATM will still work but they might become more vulnerable to security risks and viruses.

All credit unions should determine their risk due to the end of support and updates for Windows XP, and take appropriate steps to mitigate that risk. Mitigation may take the form of upgrading to a supported Windows operating system, migrating to another supported operating system, or other security software alternatives.

Credit unions should also contact their ATM vendor and other affected vendors to determine whether the vendor is taking steps, if needed, to assess and mitigate their risk.



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>
April, 2014	Friday, April 11
May, 2014	Friday, May 16



Applications Approved

Applications approved since February 19, 2014 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Changes – Approved:</i> MemberSource Credit Union (Houston)	See Newsletter No. 08-13
<i>Articles of Incorporation Changes – Approved:</i> Harlingen Area Teachers Credit Union (Harlingen) YOUR Community Credit Union (Irving)	See Newsletter No. 11-13 See Newsletter No. 01-14
<i>Charter Change – Approved:</i> Southwest 66 Credit Union (Odessa)	50 Years to Perpetuity



Applications Received

The following applications were received and will be published in the March 28, 2014 issue of the *Texas Register*.

Field of Membership Expansion:

Community Resource Credit Union (Baytown) – To permit persons who work, reside, or attend school, and businesses located within a 10-mile radius of the Community Resource Credit Union office located at 6903 Atascocita Road, Humble, Texas 77346, to be eligible for membership in the credit union.

Texell Credit Union (Temple) – To permit Texas residents who are members of the American Consumer Council, 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 **Texas Dow Employees Credit Union** (Lake Jackson) seeking approval to merge with **FMC Technologies Federal Credit Union** (Houston). Texas Dow Employees 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

