



Newsletter

No. 10-14



October 15, 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
Rob Kyker, Vice Chair
Gary D. Tuma
Gary L. Janacek
Sherri B. Merket
Allyson "Missy" Morrow
Kay Stewart
Vik Vad
A. John Yoggerst

Next Commission Meeting

Friday, October 17, 2014 beginning at 8:00 a.m. in the offices of CUD.

Electronic Communications with the Department

The Department continues to accept communications from credit unions and the public in every traditional manner. However, in recent years, the Department has experienced a shift toward receipt of a significant percentage of communications via e-mail. To improve processes and better serve credit unions and the public, the Department has established a central e-mail address for all electronic communications. **CUDmail@cud.texas.gov** is the Department's central mailbox for electronic communications. There is no need to "cc" individual Department staff when e-mails are sent to our central mailbox, as all electronic correspondence is logged and appropriately re-routed. Sending e-mails to the central mailbox will not only expedite the treatment of all electronic communications but will also allow us to improve efficiency. We, therefore, ask that all credit unions update their address books with **CUDmail@cud.texas.gov**, as the primary e-mail address for the Department.



Credit Union Online Filing Tips

Credit unions are reminded that NCUA confirms submission of Call Report data and Online Profile updates with an email that indicates the date and time the uploaded information was accepted. In addition, the successfully uploaded information will trigger two additional emails containing important information related to: (1) a Historical Warning Report; and (2) the Financial Performance Report (FPR).

Credit Union Online Filing Tips

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The latest version of the Credit Union Online Instruction Guide can be downloaded by going to the NCUA's website or by clicking the Credit Union Online link. Additionally, NCUA has created a YouTube video guide to successfully submit call reports and profile forms through the Credit Union Online. This video can be viewed at Call Report Submission Video link.



Your Feedback Matters

The Department actively seeks feedback from credit unions and other persons seeking services from the agency in order to assure the quality of services provided and identify areas for growth. Interested persons may provide direct feedback to the Department by phone, in writing, through the portal: "Your Feedback Matters" on the Credit Union Department Homepage (<http://cud.texas.gov/front/comment/276>), or by answering one of the Department's customer satisfaction surveys.

Texas Government Code Section 2114.002 requires all state agencies in Texas to gather information from customers regarding the quality of service delivered by each agency. The Department surveys customers in compliance with the Government Code and has chosen to provide additional survey questions about examination procedures and other agency-specific areas, such as applications and complaints, in addition to the statutory queries. These supplemental survey questions provide expanded opportunities for feedback and improved relationships with credit unions and the general public.

Department surveys are anonymous and secure. The SurveyMonkey site used by the Department does not collect the email addresses or the IP addresses of participants in the survey process. Further, the questions asked by the Department in the body of the survey do not tend to identify participants. Some participants may choose to identify themselves voluntarily, or may provide information in the comments section which tends to identify them.



Dealer Referral Programs

As reported in the January 2014 Newsletter, the Department continues to see an increase in non-traditional Dealer Referral Programs in credit unions. Like any other vehicle lending program, with proper controls and sound venter management practices, these programs can benefit the credit union by growing its auto loan portfolio. However, adequate due diligence and oversight of the dealers involved in the program in combination with the development and implementation of proper internal controls to monitor the overall performance of these programs is critical to the success of a well managed program. Absent these critical elements, credit unions may be assuming significant credit risk and material exposure to losses that undermine the safety and soundness of credit union operations. In

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Dealer Referral Programs

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some instances, losses are being experienced at a disproportionate rate where credit unions are doing business with small independent car lots and/or non-franchised dealerships that are not affiliated with a major manufacturer. Where these programs exist, our examiners will continue to scrutinize and thoroughly review membership eligibility, collateral values, title work, loan underwriting, internal controls, and the credit union's due diligence.



Credit Union Directors' College

Director education is an essential component of good governance and effective compliance practices for credit unions. The Industry, while quite strong, continues to face challenges and opportunities. One of the keys to successfully meeting these challenges and opportunities is to have credit union management and the directors fully informed of the issues, responsibilities, rules, and regulations.

To assist credit unions in this regard, the National Association of State Credit Union Supervisors (NASCUS) and the Cornerstone Credit Union League are sponsoring a one-day educational event designed to help board members stay abreast of issues that are currently impacting their institution's financial performance, corporate governance and risk management profiles. The school is scheduled from 9:00 a.m. to 4:00 p.m. on Monday, November 10, 2014 at the University of Texas in Austin, Texas.

For more information, contact NASCUS Vice President of Education Isaida Woo at isaida@nascus.org.



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, 2014	Friday, November 14
December, 2014	Friday, December 12



Applications Approved

There were no applications approved.

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Applications Received

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The following applications were received and will be published in the October 31, 2014 issue of the *Texas Register*.

Field of Membership Expansion:

Lone Star Credit Union (Dallas) – To permit employees and tenants of Champions Cove, 1600 South Main Street, Duncanville, TX 75137, to be eligible for membership in the credit union.

East Texas Professional Credit Union (Longview) – To permit individuals who live or work in Panola County, Texas, to be eligible for membership in the credit union.

Assemblies of God Credit Union (Springfield, Missouri) – To permit adherents of Assemblies of God churches in 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.

Articles of Incorporation:

Ward County Teachers Credit Union (Monahans) – The credit union is proposing to change its name to Ward County Credit Union.

Merger or Consolidation:

An application was received from **Texas Telcom Credit Union** (Dallas) seeking approval to merge with **Dallas I.H.C. Federal Credit Union** (Colleyville), with Texas Telcom Credit Union being 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

