



Newsletter

No. 04-19



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Credit Union Department
914 East Anderson Lane
Austin, Texas 78752

Phone: 512-837-9236
Fax: 512-832-0278
Email: info@cud.texas.gov
Web Site: www.cud.texas.gov

The Credit Union Department (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:

Allyson "Missy" Morrow, Chair
Sherri Brannon Merket, Vice Chair
Elizabeth L. "Liz" Bayless
Beckie Stockstill Cobb
Yusuf E. Farran
Steven "Steve" Gilman
Jim Minge
Kay Stewart
Rick Ybarra

Next Commission Meeting

Friday, July 12, 2019 beginning at 9:00 a.m. in the offices of CUD.

CUNA Cybersecurity Conference (June 10-12)

Both cyberattacks and best practices in cybersecurity are continuing to evolve. Learn cybersecurity best practices, strategies as credit union regulators and professionals converge for:

- Valuable networking opportunities to discuss effective strategies and topics of concern;
- Access to technical and operational cybersecurity training on emerging trends, threats and hot topics; and
- Expert-led breakout sessions to choose from the best fit educational interests and credit union needs.

[Click Here to Register](#)

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## Last Chance to Complete Annual Survey

The Department's Annual Credit Union Survey closes at 5:00 pm., on **Friday, May 3, 2019**, so if you have not already, now's the time to make your voice heard. The survey, which takes less than 5 minutes to complete, will be used to facilitate improvements that will benefit the Department and credit unions. Questions about the survey may be directed to: [cudmail@cud.texas.gov](mailto:cudmail@cud.texas.gov).

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NASCUS Summit

The Annual State System Summit for the National Association of State Credit Union Supervisors (NASCUS) will be held on August 13-16 at the Westin St. Francis, San Francisco on Union Square, San Francisco, California. The Summit is a unique event which brings together credit union regulators and practitioners for mutual exchange and dialog.

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## **National Volunteer Appreciation**

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National Volunteer month in the [United States](#) takes place in April. This month is dedicated to honoring all of the volunteers in our communities as well as encouraging volunteerism throughout the month. On behalf of the Commission, our employees and myself I want to thank all of the volunteers who strive daily to ensure Texas state-chartered credit union members receive safe and sound financial services. Your efforts, although largely behind the scenes, are important in the lives of the \$3.8 million reported Texas credit union members at the end of 2018. Please accept our sincere thanks for your work as you strive to continue to meet the highest expectations of the membership you represent.



## **Early Stage Delinquency**

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After several years of strong loan growth some credit unions have begun to experience an increase in early stage delinquency, particularly in the 30 to 59-day category. Early stage delinquencies can be an indicator of future increases in reportable delinquency and higher loan losses. In conjunction with delinquency reporting at board meetings, credit union management is encouraged to provide its board members with monthly trend reports for past due loans in the 30 to 59 day delinquency category, and engage in a discussion of collection efforts on these loans. Credit union officials have a responsibility to provide adequate administrative oversight of operations, which includes ensuring that appropriate action is taken to identify and address any adverse loan quality trends. Ultimately, rises in early stage delinquencies can result in increased losses which can impact the financial strength and integrity of a credit union.

If loan quality ratios decline, identifying and addressing the primary causes (loosened underwriting standards, limited collection activity, increased lending to lower credit tiers, and/or indirect lending issues, etc.), is essential to control and manage credit risk. The officials and management of a credit union should ensure that lending activities are monitored and consistent with the credit union's overall business strategies and risk tolerances.



## **New NCUA Chair Rodney Hood; Board Member Harper**

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On Monday April 8, 2019 President Trump appointed Rodney Hood chairman of the National Credit Union Administration Board. Hood, who succeeds Mark McWatters, has had previous experience on the board serving from November 2005 until August 2009 and has stated his focus on capital and liquidity issues, cybersecurity, consumer protection and access to credit for the unbanked as well as modernizing the federal credit union charter. Former Chair McWatters remains on the board for at least his remaining term ending in August 2019. However, it is not unusual for board members to remain until an appointee has been named to replace them.

Board Member Todd Harper was sworn in April 8<sup>th</sup>, 2019 and is the first board member appointed to have formerly been an NCUA staffer. Previously Mr. Harper served as director of NCUA's Office of Public and Congressional Affairs, and later was chief policy advisor to former Chairs Matz and Metsger.

## **New NCUA Chair Rodney Hood; Board Member Harper (Continued):**

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Commissioner Kolhoff congratulates Chairman Hood and Board Member Harper while expressing his thanks to former Chair McWatters. "I want to thank Board Member McWatters for his and his staff's efforts to strengthen the dialogue between NCUA and state prudential regulators over his tenure as chair. I look forward to continuing those efforts with the new Board to help ensure the strength of the credit union industry."

The most recent appointments mark the first time since April of 2016 the NCUA Board had all appointments seated.

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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 shown 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 2019	Friday, May 10
June 2019	Friday, June 14

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## ***Applications Approved***

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Applications approved since **March 20, 2019** include:

| <u>Credit Union</u> | <u>Changes or Groups Added</u> |
|---------------------|--------------------------------|
|---------------------|--------------------------------|

Field of Membership – Approved:

**Mobility CU** (Irving)

[See Newsletter No. 06-18](#)

**My Community CU** (Midland)

[See Newsletter No. 09-17](#)

**Mobility CU** (Irving)

[See Newsletter No. 02-19](#)

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Applications Received

The following application was received and will be published in the **April 26, 2019** issue of the *Texas Register*.

Field of Membership Expansion:

Texas Trust Credit Union (Mansfield) – Persons who live, work, worship or attend school and businesses and other legal entities located in Denton County and Ellis County, Texas.

Applications Received (Continued)

West Texas Credit Union (Odessa) – Persons who live, work, worship or attend school in Midland County, Texas.

Merger or Consolidation:

An application was received from **Rio Grande Valley Credit Union** (Harlingen) seeking approval to merge with **Sugar Growers Federal Credit Union** (Orange), with Rio Grande Valley Credit Union being the surviving credit union.

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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

