



Newsletter

No. 04-20



April 15, 2020



Credit Union Department

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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:

Yusuf E. Farran, Chair
Sherri Brannon Merket, Vice Chair
Elizabeth L. "Liz" Bayless
Karyn C. Brownlee
Beckie Stockstill Cobb
Steven "Steve" Gilman
Jim Minge
David F. Shurtz
Kay Rankin-Swan

Next Commission Meeting

Friday, May 8, 2020 beginning at 9:00 a.m. in the offices of CUD.

Q&A Outlines New Sick-Leave for Smaller Employers

New federal sick leave requirements for businesses with less than 500 employees are outlined in a "question and answer" format released by the Department of Labor. The Q&A was issued in response to Families First Coronavirus Response Act (H.R. 6201), enacted into law by President Donald Trump March 18, which among other things provides paid sick leave, tax credits, and free COVID-19 testing. The new law mandates that employers with fewer than 500 workers must provide paid sick leave or expanded family and medical leave to those workers. The Q&A provides details about which employees to include (for example, the requirement does not include workers who are independent contractors under the Fair Labor Standards Act (FLSA)). The new requirements go into effect April 1 and apply to leave taken between that date and Dec. 31.

The Department of Labor Q&A can be found here: [Families First Coronavirus Response Act: Questions and Answers](#)



Sunset Advisory Commission Invites Public Input on the Texas Credit Union Department

The Sunset Advisory Commission is reviewing the mission and performance of the Texas Credit Union Department and welcomes public comments on whether the agency is still needed and ideas to improve its operations and services. The Texas Sunset Act requires the Sunset Commission to periodically review the agency and recommend whether to continue it and change state law to improve its efficiency and effectiveness. The Legislature ultimately will decide whether to continue the agency and adopt Sunset's other statutory recommendations. The Sunset Commission also may adopt management directives for the agency that do not require statutory change.

Sunset Advisory Commission Invites Public Input on the Texas Credit Union Department (Continued)

The Sunset process has three stages. First, Sunset staff will evaluate the agency, seek public input, and issue a report recommending solutions to problems found. Second, the Sunset Commission will hold two public meetings: a hearing on the staff report and the agency, and a decision meeting to adopt recommendations to the Legislature based on the report and public comments. Third, the Legislature will convene in January 2021 and will consider Sunset's statutory recommendations in a Sunset bill for the agency.

Here are several ways to provide comments and suggestions to Sunset staff on the Credit Union Department's mission, operations, and services:

- Send an email to sunset@sunset.texas.gov.
- Submit comments online at www.sunset.texas.gov.
- Send a letter to Sunset Advisory Commission, Attn: Credit Union Department, P.O. Box 13066, Austin, Texas 78711.
- Call (512) 463-1300 to speak to Merrell Foote, project manager of the agency's review.

Please provide your comments by **June 1, 2020** to ensure Sunset staff can fully consider your input while conducting their review. Comments submitted before the staff report is published in August 2020 will remain confidential.

Stay informed! Visit www.sunset.texas.gov to sign up for email alerts on the Sunset staff report and the Sunset Commission's public meetings on the agency.



Asset Liability Management Review Time

The coronavirus has required credit unions to quickly adjust to a rapidly changing environment. Along with determining how to best serve members and their financial needs, credit unions should also review their asset liability management practices to ensure that sound decisions are made during this period of uncertainty. Dramatic actions have been taken by the Federal Reserve in response to the economic shutdown, including lowering interest rates by 150 basis points. Short-term interest rates are near zero, and longer-term rates are not much better, with the 10-year Treasury Bond yielding only 0.75 percent. Now is a good time to frequently review your loan, share and deposit rates, and investment decisions, to ensure that they are appropriate for the current economic and interest rate environment.

Lower interest rates will put pressure on your net margins, as investment income and loan income will fall. Additionally, with high unemployment and a likely recession, demand for auto and mortgage loans will be weak. It will be important for credit unions to adjust their cost of funds and control operating expenses to maintain profitability.



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 2020	Friday, May 15
June 2020	Friday, June 12



Applications Approved

Applications approved since February 19, 2020 include:

Credit Union

Changes or Groups Added

Field of Membership Change – Approved:

Coastal Community and Teachers CU (Corpus Christi)

[See Newsletter No. 01-20](#)

Articles of Incorporation Change – Approved:

FedStar Credit Union (College Station)

[See Newsletter No. 02-20](#)



Applications Received

The following applications were received and will be published in the **April, 2020** issue of the *Texas Register*.

Field of Membership Expansion:

Texas Bay Credit Union #1 (Houston) – Persons who live, work, attend school, or worship in and businesses and other legal entities located in Harris County, Texas, to be eligible for membership in the credit union.

Texas Bay Credit Union #2 (Houston) – Persons who live, work, attend school, or worship in and businesses and other legal entities located in Montgomery County, Texas, to be eligible for membership in the credit union.

Merger or Consolidation:

An application was received from **America’s Credit Union** (Garland) seeking approval to merge with **Everman Parkway Credit Union** (Fort Worth), with America’s Credit Union being the surviving credit union.

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

