



Newsletter

No. 04-17



April 19, 2017



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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
Allyson "Missy" Morrow, Vice Chair
Beckie Stockstill Cobb
Yusuf E. Farran
Steven "Steve" Gilman
Sherri Brannon Merket
Gary D. Tuma
Kay Stewart
Vik Vad

Next Commission Meeting

Friday, July 14, 2017 beginning at 9:00 a.m. in the offices of CUD.

Last Chance to Complete Annual Survey

The Department's Annual Credit Union Survey closes at **5:00 pm. on Monday, May 8, 2017**, 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.



Texas State-Chartered Credit Union System Profile

The new and improved 2016 credit union financial trends and rankings is now available on our website. You can locate this report under "Reports and Publications" tab in the Credit Union Statistics section".



Low Income Designation for Credit Unions

Low Income Credit Union (LICU) is a designation defined in Section 701.34 of the NCUA Rules and Regulations. State-chartered credit unions that meet the eligibility requirement may obtain LICU designation from the NCUA, subject to the approval of the Department. LICU designation confers access to specified benefits and expanded authority as long as the credit union continues to meet the eligibility requirements. The Department supports LICU designation for credit unions that are well managed and in a satisfactory financial condition.

Low Income Designation for Credit Unions

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In order to maintain LICU designation, the credit union must continue to meet the eligibility requirements. Changes in the credit union's membership demographics, field of membership, or completion of a merger are among the circumstances which may result in the credit union no longer meeting the eligibility requirement. Accordingly, a LICU should have contingency plans if the credit union loses its LICU designation and related benefits. For more information, please review the NCUA's Low Income Designation Fact Sheet at <https://www.ncua.gov/Legal/Documents/LowIncomeDesignationFactSheet.pdf>.



Is Your Credit Union Cybersecurity Ready?

In an effort to assist organizations in preparing for cyber incidents, the U.S. Department of Justice's Cybersecurity Unit has published [Best Practices for Victim Response and Reporting of Cyber Incidents](#), which outlines steps to take before, during and after a cyberattack or network breach. The document provides best practices and indicates that organizations connected to the Web should evaluate cybersecurity readiness by preparing prior to, in response to and for recovery from an intrusion.

The assumption conveyed within the Department of Justice document is that businesses will proactively address the risk of cyber-intrusion. Organizations that do not take reasonable steps to prepare for, respond to, and provide evidence of recovery monitoring after a breach put their legal standard of care and data privacy at risk for litigation.

The Department of Justice's best practices for cyber incident and response are further testimony that organizations that ignore responsibilities for the safety of their information are potentially exposed to significant liability for failing to meet basic cybersecurity best practices. After all, these best practices provide valuable guidance that should be taken seriously by any business.



Proposed Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal Chapter 91, **Subchapter A, concerning General Rules**, consisting of §91.101, concerning Definitions and Interpretations, §91.103 concerning Public Notice of Department Decisions, §91.104 concerning Public Notice and Comment on Certain Applications, §91.105 concerning Acceptance of Other Application Forms, §91.110 concerning Protest Procedures for Applications, §91.115 concerning Safety at Unmanned Teller Machines, §91.120 concerning Posting of Notice Regarding Certain Loan Agreements. §91.121 concerning Complaint Notification, and §91.125 concerning Accuracy of Advertising.

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Proposed Rule Review

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Chapter 91, Subchapter B, concerning Organization Procedures, consisting of §91.201 concerning Incorporation Procedures, §91.202 concerning Bylaw and Articles of Incorporation Amendments, §91.203 concerning Share and Deposit Insurance Requirements, §91.205 concerning Use of Credit Union Name, §91.206 concerning Underserved Area Credit Unions – Secondary Capital Accounts, §91.208 concerning Notice of Known or Suspected Criminal Violations, §91.209 concerning Call Reports and Other Information Requests, and §91.210 concerning Foreign Credit Unions.

Chapter 91, Subchapter J, concerning Changes in Corporate Status, consisting of §91.1003 concerning Mergers/Consolidations, §91.1005 consisting of Conversion to a Texas Credit Union, §91.1006 concerning Conversions to a Federal or Out-of-State Credit Unions, §91.1007 concerning Conversion to a Mutual Savings Institution, and §91.1008 concerning Conversion Voting Procedures and Restrictions; Filing Requirements.

Chapter 91, Subchapter L, concerning Submission of Comments by Interested Parties, consisting of §91.3001 concerning Opportunity to Submit Comments on Certain Applications, and §91.3002 concerning Conduct of Meetings to Receive Comments

An assessment will be made by the Commission as to whether the reasons for adopting or readopting these rules continue to exist. Each rule will be reviewed to determine whether it is obsolete, whether the rule reflects current legal and policy considerations, and whether the rule reflects current procedures of the Credit Union Department.

Comments or questions regarding these rules may be submitted in writing to, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699, or electronically to cudmail@cud.texas.gov. The deadline for comments is **May 8, 2017**.

The Commission also invites your comments on how to make these rules easier to understand. For example:

- Do the rules organize the material to suit your needs? If not, how could the material be better organized?
- Do the rules clearly state the requirements? If not, how could the rule be more clearly stated?
- Do the rules contain technical language or jargon that isn't clear? If so, what language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand? If so, what changes to the format would make the rule easier to understand?
- Would more (but shorter) sections be better in any of the rules? If so, what sections should be changed?

Any proposed changes to these rules as a result of the rule review will be published in the Proposed Rule Section of the *Texas Register*. The proposed rules will be open for public comment prior to final adoption by the Commission.



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>
May, 2017	Friday, May 12
June, 2017	Friday, June 16

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## ***Applications Approved***

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Applications approved since **April 19, 2017** include:

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| <u>Credit Union</u>                                                                                                                                                        | <u>Changes or Groups Added</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <i>Field of Membership Change – Approved:</i>                                                                                                                              |                                |
| <b>Amplify Credit Union</b> (Austin) (Modified)<br>Voting members of the Texas Consumer Council<br>who reside within the State of Texas                                    | See Newsletter No. 01-17       |
| <b>Texell Credit Union</b> (Temple)<br>Persons who live, work, worship, or attend school<br>Within a 10-mile radius of 875 W. Whitestone Blvd.,<br>Cedar Park, Texas 78613 | See Newsletter No. 12-16       |

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Applications Received

There were no applications received.

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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.*



To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752

