



# Newsletter

No. 08-20



August 19, 2020



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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.

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## 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, August 7, 2020 beginning at 9:00 a.m. in the offices of CUD.

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## Operating Fee

During the week of August 24<sup>th</sup>, invoices for the first installment of the Operating Fee for Fiscal Year 2021 will be mailed to all credit unions. All fees must be received on or before **September 30, 2020** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236



## COVID-19 Fraud Schemes

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 must also be on the look-out for fraud associated with the COVID-19 Loan Program. The July 28, 2020 [SBA Office of Inspector General Report Number 20-16](#) noted serious concerns with widespread potential fraud associated with the COVID-19 Loan Program. Nearly 440 financial institutions have reported more than 5,000 instances of suspected fraud involving over \$250 million dollars.

Examples of suspicious activity and suspected fraud reported by financial institutions include:

- Accounts established using stolen identities
- Account holders unable to explain origins of deposits or identify business names on loans
- Account holders claiming to use the funds to open a business
- Account holders attempting to transfer funds into investment accounts
- Account holders attempting to transfer funds to foreign accounts
- Loan deposits being made into accounts with no other account activity that were established remotely just before receiving the loan funds

## ***COVID-19 Fraud Schemes (Continued):***

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- Economic injury loan funds made to agricultural businesses being deposited in accounts of unrelated third parties located in different states than the business
- Account holders attempting to withdraw loan funds in cash or transfer the funds to other newly established accounts
- Economic injury loans or advance grants being deposited into personal accounts--with no evidence of business activity--of customers of the financial institution

Due to the widespread fraud concerns, NCUA issued [LETTER NO: 20-Risk-02](#) in August, 2020. Credit unions are urged to stay informed and up to date on financial institution fraud schemes associated with the COVID-19 Loan Program.



## ***Publication Deadlines***

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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>
September 2020	Friday, September 11
October 2020	Friday, October 16



## ***Applications Approved***

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Applications approved since **July 15, 2020** include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<b><u>Field of Membership Expansion - Approved:</u></b>	
Texell Credit Union (Temple)	<a href="#">See Newsletter No. 05-20</a>
Rio Grande Valley Credit Union (Harlingen)	<a href="#">See Newsletter No. 06-20</a>
Rio Grande Valley Credit Union (Harlingen)	<a href="#">See Newsletter No. 06-20</a>
<b><u>Merger or Consolidation - Withdrawn:</u></b>	
Third Coast Federal CU (Corpus Christi) and Navy Army Community CU (Corpus Christi)	<a href="#">See Newsletter No. 01-20</a>

## *Applications Received*

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The following applications were received and will be published in the **August 28, 2020** issue of the *Texas Register*.

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### **Field of Membership Expansion:**

**First Central Credit Union** (Waco) – Persons who reside, work, worship, or attend school within the boundaries of Bosque, Callahan, Coleman, Comanche, Coryell, Eastland, McCulloch, Mills and San Saba Counties, Texas, to be eligible for membership in the 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

