



Newsletter

No. 02-20



February 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.

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.

Operating Fee

The invoices for the second installment of the Operating Fee for Fiscal Year 2020 will be mailed to credit unions on or about the week of February 24th. The assessment must be received on or before **March 30, 2020** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.



Your Feedback Matters

The Department believes the quality of our agency improves, when we listen to what you have to say. Your constructive input – whether it is a compliment, suggestion, concern, or complaint – is valuable to our continued success. We, therefore, encourage credit unions to use the [form](#) available on our website to comment on something the Department is doing well – or could improve upon.



Board Productivity

What is your board's most effective use of boardroom time? Is your board spending sufficient time and efforts on matters that enhance the credit union's vision, service and relevance to members, and viability? A recently released report, [The State of Credit Union Governance 2020](#), produced by CUES in Madison, Wisconsin, Quantum Governance L3C in Herndon, Virginia, and the David and Sharon Johnstone Centre for Corporate Governance Innovation at the University of Toronto, looks at credit union governance and leadership trends. In the report, directors said they spend as much as 60% of their board meeting time on operational oversight issues, and more than 30% of directors surveyed said they do not feel that their board is effective in helping to develop the credit union's vision, mission and strategy. So where is your credit union board?

Board Productivity (Continued)

Board members have a number of duties which require monthly board meeting time, such as an annual review and approval of policies, review of financial performance, discussion of delinquency and loan quality ratios, review of asset liability management, and operations in general. But is your board spending too much time at monthly board meetings on operating issues and not enough time on strategic decision-making? [The State of Credit Union Governance 2020 is available on CUES' website.](#) A review of your boardroom time might benefit your credit union.



CFPB Planned Actions in Year Ahead

At least five rulemaking activities are slated in 2020 by the CFPB, according to its semiannual report of bureau activities published this week.

The semiannual report primarily notes activities and initiatives of the agency during the middle six months of 2019, it also lists planned future actions by the agency. The report noted the following planned rulemaking:

- A proposed rule this year (by the end of the fiscal year in September) that would exempt from the higher-priced mortgage loan escrow requirement (Regulation Z, Truth in Lending Act) loans made by certain creditors with assets of \$10 billion or less and meeting other criteria (as provided in the 2018 Economic Growth, Regulatory Relief, and Consumer Protection Act, or EGRRCPA, S.2155).
- A notice of proposed information collection related to Property Assessed Clean Energy (PACE) financing (also under EGRRCPA, and following last year's advance notice of proposed rulemaking; the bureau is considering next steps for a proposed rule).
- A proposed, limited extension of the GSE patch under the Regulation Z (Truth in Lending Act) qualified mortgage (QM) provisions in the ability-to-repay mortgage rules. The QM rules currently consider certain loans eligible for purchase or guarantee by two housing government-sponsored enterprises (GSEs) – Fannie Mae and Freddie Mac – as meeting the ATR requirements. However, this “patch” is set by statute to expire Jan. 10, 2021. The bureau says it will allow this to expire but will issue a proposed rule to revise the general QM definition (see below); it also plans to propose a “limited extension” of the expiration date only as needed for a smooth, orderly transition.
- A proposed rule in July on various aspects of a 2015 final rule revising requirements under Regulation C (Home Mortgage Disclosure Act, or HMDA). The bureau sought comments last May on the costs and benefits of collecting and reporting the data points in the 2015 rule and certain preexisting data points that the rule revised.
- A proposed rule, also in July, regarding public release of HMDA data (following a December 2018 policy guidance on modifications affecting the release of loan-level HMDA data).

The bureau's report also notes that the agency has delayed the compliance deadline for its payday rule provisions (the Payday, Vehicle Title, and Certain High-Cost Installment Loans rule) until Nov. 19, 2020; a proposal was issued last February reconsidering the rule's underwriting of covered short-term and longer-term balloon payment loans.

LINK:

[CFPB Semiannual Report](#) (Fall 2019)

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> |
|-------------------------|-----------------------------|
| March 2020 | Friday, March 13 |
| April 2020 | Friday, April 10 |

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## ***Applications Approved***

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Applications approved since January 15, 2020 include:

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| <u>Credit Union</u>                                 | <u>Changes or Groups Added</u>             |
|-----------------------------------------------------|--------------------------------------------|
| <b>Field of Membership Change – Approved:</b>       |                                            |
| Texell Credit Union (Temple)                        | <a href="#">See Newsletter No. 11-19</a>   |
| <b>Articles of Incorporation Change – Approved:</b> |                                            |
| Velocity Credit Union (Austin)                      | <a href="#">See Newsletter No. 01-2020</a> |
| Credit Union Texas (Dallas)                         | <a href="#">See Newsletter No. 01-2020</a> |

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Applications Received

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

Field of Membership Expansion:

Community Resource Credit Union #1 (Baytown) – Persons who worship within the boundaries of the Goose Creek, Barbers Hill, Crosby, Dayton, Huffman, Humble, and New Caney Independent School Districts, to be eligible for membership in the credit union.

Community Resource Credit Union #2 (Baytown) – Persons who worship within the boundaries of the area commonly known as Lynchburg, Texas, to be eligible for membership in the credit union.

Applications Received (Continued)

Community Resource Credit Union #3 (Baytown) – Persons who worship within a 10-mile radius of the Community Resource Credit Union offices located at:

- 2900 Decker Drive, Baytown, Texas;
- 2700 N. Alexander Drive, Baytown, Texas;
- 6218 FM 2100, Crosby, Texas;
- 6810 Garth Road, Baytown, Texas;
- 11001 Eagle Drive, Mont Belvieu, Texas;
- 6903 Atascocita Road, Humble, Texas; and
- 8010 N. Highway 146, Baytown, Texas.

Community Resource Credit Union #4 (Baytown) – Persons who worship located within the boundaries of Liberty or Chambers County, Texas, to be eligible for membership in the credit union.

Mobility Credit Union (Irving) – Members of the Texas Consumer Council, to be eligible for membership in the credit union.

Plus4 Credit Union (Houston) – Persons who live, work, attend school, or worship in and business located within 10 miles of 9166 FM 2920 Rd., Suite 600, Tomball, Texas, 77375, to be eligible for membership in the credit union.

Articles of Incorporation:

FedStar Credit Union (College Station) – The credit union is proposing to change its name to Brazos Star 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

