



# Newsletter

No. 01-19



January 16, 2019



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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:

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, March 8, 2019 beginning at 9:00 a.m. in the offices of CUD.

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## December 2018 Call Report

As a reminder your completed 5300 Call Report must be submitted by **Sunday, January 27, 2019**, in accordance with the filing requirements. No extensions of time for submitting Call Report data are granted. Reports received after the filing deadline are subject to a late filing fee as provided in 7 TEX. ADMIN. CODE §91.209. Instructions can be found [here](#). Please also ensure that the Online Credit Union Profile is updated, which includes contact information for all officials of the institution, branch and ATM locations, latest audit details and a host of other information important for our offsite supervision.



## Qualifying Period for Streamlined CDFI Application

Federally insured, low-income credit unions that want to become certified Community Development Financial Institutions can apply to use the National Credit Union Administration's qualification process for streamlined CDFI certification from **January 13 through February 9, 2019**.

The agency's Office of Credit Union Resources and Expansion hosts [a resource page](#) with details about CDFI certification and the streamlined process. The agency's [application guide](#) has the necessary instructions for the qualification process. The [Community Development Financial Institutions Fund's webpage](#) offers information about the benefits of CDFI certification.



## Upcoming Holiday Schedule for CUD

The Department's office will be closed on **February 18<sup>th</sup>** in observance of President's Day.

## ***From the Desk of the Commissioner***

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I am honored to have been provided this opportunity to continue the Credit Union Commission's mission of ensuring a safe, sound and competitive Texas credit union charter through a flexible, but effective, supervisory framework. With 24 years of bank and credit union regulatory experience I have long appreciated Texas' statewide commitment toward a strong foundation for economic development and consumer access to safe financial services while requiring government transparency and fiscal responsibility.

I also very much appreciate the effective program and well qualified staff former Commissioner Feeny and his team have developed prior to his retirement. I look forward to working with the Department's staff to continue efforts to maintain the highest standards of professionalism and program effectiveness.

I am also excited to work with the Texas credit union executives, board members and policy makers. Texas has a well-established reputation as a national leader with an innovative industry, ensuring the development of competitive products and services to meet members changing needs, while working collaboratively with regulators to ensure an appropriate regulatory toolkit that does not stifle innovation.

We are all are witness to the quickening pace of the industry's evolution while it has strived to maintain viability against a host of both entrenched and newly founded financial service providers. As an active NASCUS board member, I feel fortunate to have been actively involved in most of those changes at both the state and national level. I look forward to continuing that work in partnership with the Texas Credit Union Industry.

Finally, I am humbled by the warm welcome I've received from Texas (and I'm not just talking about the warmer weather relative to Michigan). Everyone I've had the pleasure of meeting so far has been very kind, open and committed to assisting me on my transition. While I've not had the pleasure of meeting all of you yet, we've begun the work of scheduling meetings around the state so that I can more formally introduce myself and learn more about you and your institutions. Until that time, please feel free to reach out to me if you have any questions or comments about our program or its impact.



## ***Federal Government Shutdown - Financial Needs of Credit Union Members***

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As the current federal government shutdown continues, the Department encourages credit unions to consider reasonable and prudent steps to assist affected members. The Department realizes that furloughed federal employees not receiving paychecks can run into significant difficulty meeting monthly financial obligations. The Department recognizes that efforts to work with borrowers in times of financial uncertainty can be consistent with safe and sound credit union practices and in the public interest.

## ***Federal Government Shutdown – Financial Needs of Credit Union Members (Continued)***

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When credit unions exert prudent methods to address members’ cash and financial hardships, their actions generally will not be subject to examiner criticism if applied consistently in compliance with an appropriate board approved policy and current regulations.

Examples of member assistance may include:

- Waiving early withdrawal penalties on time deposits
- Offering short-term signature loans with no payments for 90 days
- Budget counseling and member assistance programs
- Waiving overdraft fees
- Allowing borrowers to defer or skip some payments
- Waiving late fees for credit card and other loan payments
- Delaying the submission of delinquency notices to the credit bureaus

Credit unions must ensure modifications or consolidations of existing loans are evaluated individually to determine whether they require financial reporting as troubled debt restructurings (TDRs) in accordance with generally accepted accounting principles. This evaluation should be based on the facts and circumstances of each borrower and loan.

The Department will continue to closely monitor the situation and provide additional guidance, as required, to help address the need of credit unions and their members.



### ***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.

<b><u>Publication Date</u></b>	<b><u>Application Deadline</u></b>
February 2019	Friday, February 15
March 2019	Friday, March 15



## ***Applications Approved***

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Applications approved since **December 19, 2018** include:

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### Credit Union

### Changes or Groups Added

Merger or Consolidation – Approved:

**Promise CU** (Houston) and Houston Metropolitan FCU

[See Newsletter No. 04-18](#)

**IBEW LU 278 FCU** (Corpus Christi) and Coastal Community and Teachers CU

[See Newsletter No. 07-18](#)

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## ***Applications Received***

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The following application was received and will be published in the **January 25, 2019** issue of the *Texas Register*.

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Field of Membership Expansion:

**Mobility Credit Union** (Irving) – Persons who live, worship, attend school or work in Tarrant County, Texas.

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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

