



# Newsletter

No. 01-20



January 15, 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, February 7, 2020 beginning at 9:00 a.m. in the offices of CUD.

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## December 2019 Call Report

As a reminder your completed 5300 Call Report must be submitted by **Sunday, January 26, 2020**, 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.



**With the advent of 2020, the state system is ready with a full set of goals to be advanced over the new year. Among them:**

## Clarity for Serving Legal Marijuana Businesses

Legislation that addresses the conflict between federal and state law on the provision of products/services for legitimate marijuana enterprises. The House in September passed the Secure and Fair Enforcement (SAFE) Banking Act (H.R. 1595), on a 321-103 bipartisan vote. Supported by NASCUS, the bill would prohibit penalizing, or discouraging, a credit union or bank from providing financial services to a cannabis-related legitimate business or to a state (and its political subdivisions or Indian Tribe) that exercises jurisdiction over cannabis-related legitimate businesses. (Last year, NASCUS leadership – the association's Regulator Board and Credit Union Advisory Council -- approved a cannabis banking policy that permits the organization to support federal safe harbor legislation. The previous NASCUS policy sought clarification on the conflict between federal and state law.) Action in the Senate on the bill is uncertain, however, as Banking Committee Chairman Mike Crapo (R-Idaho) has said he does not support it, citing concerns over public health and money laundering. He has said he is seeking public input on "how to thoughtfully address these concerns."

## ***Access to Supplemental Capital***

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The state system believes that access to supplemental capital is critical to safety and soundness and provides well-managed credit unions with an additional tool to react to economic pressures. As of now, natural person, non-low-income credit unions do not have access to supplemental capital. However, NCUA appears to be on the verge (perhaps this month) of proposing a form of supplemental capital (as “subordinated debt”) that Board Member Mark McWatters in December called part of a “suite of capital rules.” McWatters said the proposed subordinated debt would count as capital for risk-based net worth purposes. “It’s a good rule, it’s a complex rule – we’ll need a lot of feedback on it,” he said at the December NCUA Board meeting.



## ***Advancing Interstate Branching***

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The state system recognizes that the ability of state-chartered credit unions to access new field of memberships across state lines is vital for balance in the dual charting system. NASCUS is now working on a new, third generation nationwide interstate branching template -- with delivery expected later in the year -- aimed at expanding the breadth of past arrangements and to provide more clarity for the state credit union system.

Other key issues being advocated by NASCUS over the coming year include:

- Support for federal data breach notification legislation that gives deference to more stringent state notification requirements and holds non-financial entities to the same data breach notification standards as financial institutions.
- Reform of the NCUA Board to require appointment of a board member with state credit union supervisory experience, and to increase the number of seats on the board from three to five members.
- Revisiting federal tax rules to obtain a comparable exemption from the 21% excise tax on pre-existing executive compensation contracts for non-profits.



## ***Notice of Regular Commission Meeting***

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The Credit Union Commission will hold its Regular meeting on **Friday, February 7, 2020, at 9:00 a.m.**, in the Department’s conference room. The meeting packet will be available on our website on or about January 27, 2020.



## ***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>
February 2020	Friday, February 14
March 2020	Friday, March 13



## ***Applications Approved***

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There were no applications approved.

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## ***Applications Received***

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The following applications were received and will be published in the **January 24, 2020** issue of the *Texas Register*.

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

**Unity One Credit Union** (Fort Worth) – Employees of Olympus Property, working in or paid from Fort Worth, Texas, to be eligible for membership in the credit union.

**Educators Credit Union** (Waco) – Persons who live, work, worship, or attend school in Bell, Hamilton and Limestone Counties, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #1** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Brazos County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #2** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Chambers County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #3** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Fort Bend County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #4** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Grimes County, Texas, to be eligible for membership in the credit union.

## ***Applications Received (Continued)***

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**Associated Credit Union of Texas #5** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Liberty County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #6** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Matagorda County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #7** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Montgomery County, Texas, to be eligible for membership in the credit union.

**Associated Credit Union of Texas #8** (League City) – Persons who live, work, worship, or attend school and businesses and other legal entities in Wharton County, Texas, to be eligible for membership in the credit union.

**Coastal Community and Teachers Credit Union** (Corpus Christi) – Members of the FOCUS Foundation who qualify for membership in accordance with its bylaws, to be eligible for membership in the credit union.

### **Articles of Incorporation:**

An application was received from **Velocity Credit Union** (Austin) to amend its Articles of Incorporation relating to principal place of business.

An application was received from **Credit Union of Texas** (Dallas) to amend its Articles of Incorporation relating to principal place of business.

### **Merger or Consolidation:**

An application was received from **Barksdale Federal Credit Union** (Bossier City, Louisiana) seeking approval to merge with **Longview Consolidated Credit Union** (Longview), with Barksdale Federal Credit Union being the surviving credit union.

An application was received **Navy Army Community Credit Union** (Corpus Christi) seeking approval to merge with **Third Coast Federal Credit Union** (Corpus Christi), with Navy Army Community Credit Union being the surviving credit union.

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## ***Upcoming Holiday Schedule for CUD***

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The Department's office will be closed on **January 20, 2020** in observance of Martin Luther King Jr. Day, and **February 17, 2020** in observance of Presidents' Day.

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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

