



Newsletter

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Credit Union Department

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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:

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, July 12, 2019 beginning at 9:00 a.m. in the offices of CUD.

From the Desk of the Commissioner (Cybersecurity Conference)

I regularly attend this CUNA/NASCUS event which brings together regulators, credit union policy executives and technology experts to talk about maintaining the industry's cyber defenses. This year the conference is being held here in Austin.

With the digital landscape continuing to develop, consumers and regulators are raising their expectations when it comes to digital security standards. In this three-day event (with a pre-conference session June 9), participants may arm themselves with the knowledge to deliver on credit union supervision and provide insights for safe security operations. **The NASCUS/CUNA Cybersecurity Conference June 9-12 in Austin, Texas**, helps participants connect with other credit union professionals who are passionate about enhancing credit union cybersecurity.

I encourage any interested institutions to join myself and TCUD's specialists at the conference.

[Cybersecurity Conference](#)

**June 10-12, 2019 (Pre-Conference – June 9
Austin, Texas**



Annual Credit Union Survey

The Department recently sent an email to each credit union containing a link to our annual online survey. We are looking to examine our current performance across a range of issues critical to our success. The best way to do this is by asking credit unions to participate in this survey and to provide us with your opinion on how the Department is currently performing. Your responses will be completely anonymous and analyzed in combination with other credit union answers. This survey will be open until **Friday, May 3**. By participating in this survey, you will be making an important

Annual Credit Union Survey (Continued)

contribution by helping the Department to improve and better serve the citizens of Texas. Your opinion counts. We appreciate your time!



Proposed Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal Chapter 91, §§**91.801**, (Investments in Credit Union Service Organizations), **91.802** (Other Investments), **91.803** (Investment Limits and Prohibitions), **91.804** (Custody and Safekeeping), **91.805** (Loan Participation Investments), **91.808** (Reporting Investment Activities to the Board of Directors), **91.901** (Reserve Requirements), and **91.902** (Dividends).

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@tud.texas.gov. The deadline for comments is **April 22, 2019**.

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.



Court Grants Preliminary Approval for Wendy's Lawsuit Settlement

On Feb. 26 the U.S. District Court for the Western District of Pennsylvania granted preliminary approval of a proposed settlement in First Choice Federal Credit Union v. The Wendy's Company, a data breach lawsuit brought by CUNA, leagues and credit unions affected by a data breach. The parties submitted their proposed settlement to the court Feb. 13, which would conclude the lawsuit stemming from a 2016 data breach at certain Wendy's franchise locations.

Notice will be mailed to eligible class members by March 28. Under the settlement, financial institutions have until Sept. 30 to file claims. Valid claims will be paid based on the total number of alerted on cards for this breach.

CUNA will keep members informed of the latest developments.

Under the terms of the proposed settlement:

- Wendy's will pay \$50 million into a fund to compensate financial institutions that issued payment cards that were alerted on cards in connection with the data breach;
- Wendy's will adopt and/or maintain certain data security measures; and
- Financial institutions will be able to file claims for reimbursement without requiring supporting documentation.



CFPB: Elder Abuse Spawning "thousands" of SARs

Older customers are the subject of "hundreds of thousands" of suspicious activity reports (SARs) being filed by the financial institutions, CFPB said in a first-ever report published this week.

In its *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends*, CFPB wrote that it analyzed 180,000 elder financial exploitation SARs filed with the Treasury's Financial Crimes Enforcement Network (FinCEN) from 2013 to 2017, involving more than \$6 billion. The reports are filed by credit unions, banks and others -- including casinos -- the bureau said.

According to CFPB, the analysis showed:

- SAR filings on elder financial exploitation grew four-fold from 2013 to 2017, with 63,500 SARs reporting elder financial abuse filed in 2017. "Yet these SARs likely represent only a tiny fraction of the actual 3.5 million incidents of elder financial exploitation estimated to have happened that year," the bureau stated.
- Elder financial exploitation happens at other places than financial institutions (such as banks or credit unions): Money services businesses (MSBs) -- used by some people to wire money -- filed 58% of the SARs in 2017, the CFPB said.
- Older adults ages 70 to 79 lost on average \$43,300. And when the older adult knew the suspect, the average loss was even larger--about \$50,000, the bureau said.
- Fewer than one-third of elder financial exploitation SARs specify that the financial institution reported the activity to adult protective services, law enforcement, or other authorities. "If the financial institution is not reporting to these authorities, this is a missed opportunity to strengthen prevention and response," CFPB said.

LINK: [Financial institutions report widespread elder financial abuse](#)



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>
April 2019	Friday, April 12
May 2019	Friday, May 10

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## Applications Approved

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Applications approved since **February 20, 2019** include:

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| <u>Credit Union</u>                       | <u>Changes or Groups Added</u>           |
|-------------------------------------------|------------------------------------------|
| Field of Membership – Approved:           |                                          |
| <b>Mobility CU</b> (Irving)               | <a href="#">See Newsletter No. 01-19</a> |
| <b>Community Resource CU #1</b> (Baytown) | <a href="#">See Newsletter No. 12-18</a> |
| <b>Community Resource CU #2</b> (Baytown) | <a href="#">See Newsletter No. 12-18</a> |
| <b>Community Resource CU #3</b> (Baytown) | <a href="#">See Newsletter No. 12-18</a> |

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Applications Received

The following application was received and will be published in the **March 29, 2019** issue of the *Texas Register*.

Field of Membership Expansion:

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

Texas Bay Credit Union (Houston) – Persons who live, work, attend school, or worship in and businesses and other legal entities located in Fort Bend County, Texas.

EECU (Fort Worth) – Members of EECU Community Foundation.

Neighborhood Credit Union (Dallas) – Persons who work, reside, worship or attend school within Collin County, Texas.

Applications Received (Continued):

Merger or Consolidation:

An application was received from **FivePoint Credit Union** (Nederland) seeking approval to merge with **Southeast Texas Employees Federal Credit Union** (Orange), with FivePoint Credit Union being the surviving credit union.

An application was received from **TxDOT Credit Union** (Abilene) seeking approval to merge with **THD 6 Credit Union** (Odessa), with TxDOT credit union being the surviving 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

