



Newsletter

No. 03-21



March 17, 2021



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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, June 4, 2021 beginning at 9:00 a.m. in the offices of CUD.

Annual Credit Union Survey

The Department will email the week of March 22 to each credit union a link containing our annual customer service 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 our opinion to how the Department is currently performing. Your responses will be completely anonymous and analyzed in combination with our credit union answers. This survey will run from **Monday, March 29 until Friday, May 7**. By participating in this survey, you will be making an important contribution helping the Department to improve and better serve the citizens of Texas. Your opinion counts.

We appreciate your time!



Supplemental Insurance Coverage

The Department recently became aware of certain supplemental insurance coverages that may be offered by some insurance carriers. After the devastating winter storm which occurred in February, this coverage may be of interest to some Texas state-chartered credit unions. One credit union CEO informed the Department that their property and casualty coverage covered the cost of natural gas/fuel for them to run their generator during the recent storm, with no deductible. The CEO also revealed that such coverage would have included the cost of renting a generator, had they not owned one. Hopefully, such a significant weather event will not occur again for many, many years. However, we wanted to share this information and encourage Texas chartered credit unions to be aware of the many insurance coverage options that may benefit them during and after a severe weather event and remind institutions to carefully review their bond coverage.



CFPB Nominee Calls for Fair and Effective Mortgage Market Oversight

Saying he looks forward to approaching with an open mind the mission of the CFPB, director nominee Rohit Chopra told a Senate Banking Committee this week that fair and effective oversight of the mortgage market can promote a “resilient and competitive financial sector” while also addressing racial inequities.

Testifying during a hearing on his nomination, Chopra said during the last economic crisis of 10 years ago, “we saw how unlawful and avoidable foreclosures proved to be catastrophic in cities, small towns, and rural areas alike, contributing to deeper social divisions and inequities.”

He said the country again faces “an important test to ensure that troubles in the housing market do not sabotage the recovery of our local economies.”

Chopra said he also has an open mind about changes to qualified mortgage (QM) rules. He said he would look to what the statute says and what Congress’ goals are as the bureau reviews the rules.

Last week, Acting Director Dave Uejio released a statement that the agency is considering revising or outright revoking the “seasoned QM” rule (which applies to portfolio loans meeting certain performance requirements over a 36-month seasoning period, including having no more than two delinquencies of 30 or more days and no delinquencies of 60 or more days). The bureau also said it “expects to shortly issue” a proposal that would delay the July 1 mandatory compliance date for the general QM rule.

Chopra, during his appearance before the panel, said the bureau won’t dictate financial policy. When it comes to QM, he said, “it is important that we balance the consumer protections that Congress has put into place with access, including for rural and other areas.”

LINK:

[Rohit Chopra, opening statement before Senate Banking committee \(March 2, 2021\)](#)



CFPB Rule Expands Exemption from Establishing Escrow Accounts for Higher-Priced Mortgage Loans

On February 17, 2021, the Consumer Financial Protection Bureau published in the [Federal Register](#) a final rule implementing a requirement of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule exempts certain insured depository institutions, including some insured credit unions, from the requirement to establish escrow accounts for certain higher-priced mortgage loans (HPMLs).

The final rule amends parts of §1026.35 of Regulation and became effective February 17, 2021. Qualifying institutions that established HPML escrow accounts on or after April 1, 2010, will have 120 days after the effective date of the final rule to cease providing escrows for HPMLs to take advantage of the new exemption. [Read the NCUA Regulatory Alert](#)

Proposed Rule Review

The Texas Credit Union Commission will review and consider for re-adoption, revision, or repeal Chapter 91, §§**91.101**, (Definitions), **91.103** (Public Notice of Department Decisions), **91.104** (Public Notice and Comment on Certain Applications), **91.105** (Acceptance of Other Application Forms), **91.110** (Protest Procedures for Applications), **91.115** (Safety at Unmanned Teller Machines), **91.120** (Posting of Notice Regarding Certain Loan Agreements), **91.121** (Complaint Notification), **91.125** (Accuracy of Advertising), **91.201** (Incorporation Procedures), **91.202** (Bylaw and Articles of Incorporation Amendments), **91.203** (Share and Deposit Insurance Requirements), **91.205** (Use of Credit Union Name), **91.206** (Underserved Area Credit Unions – Secondary Capital Accounts), **91.208** (Notice of Known or Suspected Criminal Violations), **91.209** (Call Reports and Other Information Requests), **91.210** (Foreign Credit Unions), **91.1003** (Mergers/Consolidations), **91.1005** (Conversion to a Texas Credit Union), **91.1006** (Conversions to a Federal or Out-of-State Credit Unions), **91.1007** (Conversion to a Mutual Savings Institution), **91.1008** (Conversion Voting Procedures and Restrictions; Filing Requirements), **91.1010** (Voluntary Liquidation); **91.3001** (Opportunity to Submit Comments on Certain Applications) and **91.3002** (Conduct of Meetings to Receive Comments).

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 19, 2021.

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.



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 2021	Friday, April 16
May 2021	Friday, May 14

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## **Applications Approved**

Applications approved since **February 17, 2021** include:

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| <b><u>Credit Union</u></b>                              | <b><u>Changes or Groups Added</u></b>    |
|---------------------------------------------------------|------------------------------------------|
| <b><u>Field of Membership Expansion – Approved:</u></b> |                                          |
| Brazos Star Credit Union (College Station)              | <a href="#">See Newsletter No. 01-21</a> |

## **Applications Received**

The following application was received and will be published in the **March 26, 2021** issue of the *Texas Register*.

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### **Merger or Consolidation:**

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

### **Articles of Incorporation:**

**Cabot & NOI Employees Credit Union** (Pampa) – The credit union is proposing to change its name to Cabot Community 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

