



Newsletter

No. 05-16



May 18, 2016



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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:

Manuel Cavazos IV, Chair
Allyson "Missy" Morrow, Vice Chair
Beckie Stockstill Cobb
Yusuf E. Farran
Steven "Steve" Gilman
Sherri Brannon Merket
Gary D. Tuma
Kay Stewart
Vik Vad

Next Commission Meeting

Friday, July 8, 2016 beginning at 9:00 a.m. in the offices of CUD.

Prescreening Under the Fair Credit Reporting Act

Prescreening is a process by which a consumer reporting agency (credit bureau) compiles or edits a list of consumers meeting specific credit-granting criteria provided by a credit union. The list is provided to the credit union or a third party acting for the credit union (for example, a mailing service) for use in soliciting specific consumers for credit products.

While the Fair Credit Reporting Act ("FCRA") does not expressly authorize it, prescreening is permissible if a credit union follows certain rules. The FCRA permits prescreening if the credit union makes a firm offer of credit to each consumer whose name appears on the prescreened list. To obtain a consumer report, the credit union must have a "permissible purpose" under the FCRA. Section 604(3)(A) of the FCRA permits a credit union to obtain a consumer report if it intends to use the information in connection with a credit transaction involving the extension of credit to the consumer. (Prescreening cannot be used to solicit responses for insurance, employment or other purposes.) Therefore, a credit union cannot use a prescreened list solely to send promotional material. The purpose of the FCRA is to safeguard the confidentiality of consumer credit information. The statute requires a clear connection between the credit union and consumer before the credit union obtains a credit report. A firm offer of credit to the consumer provides this connection.



Credit Union Financial Trends

The 2015 Credit Union Financial Trends report is now available on our website. You can locate this report under "Reports and Publications" tab in the "Credit Union Statistics section".



2016 Annual Survey Questionnaire

We would like to thank each of you that participated in the 2016 Annual Survey. The feedback we received from credit unions is valuable, and the Department is committed to continually enhancing its examination and regulatory oversight whenever possible. We are pleased by the positive comments we received, and continue to strive to be an effective and efficient regulator.

We appreciate all of the views expressed and would like to encourage you to provide additional comments or suggestions throughout the year. The agency relies on your feedback to identify concerns. Your thoughtful comments contribute to the success of our agency.



Hurricane Season

The upcoming Atlantic Hurricane Season is expected to be the most active since 2012. Expert hurricane forecasters at Colorado State University have released their predictions that at least five of this year's named storms will reach hurricane status and two of them will become Category 3 or stronger systems on the five-step Saffir-Simpson scale.

Credit unions are encouraged to review and test their contingency plans in preparation for this year's hurricane threat.



Applications for NCUA Consulting Due May 31

Eligible credit unions interested in NCUA's consulting services have until May 31 to submit nominations. Credit unions may nominate their own institutions for the program, or an NCUA examiner may make the nomination. To be eligible, a credit union must meet one of the following criteria:

- have total assets of less than \$100 million;
- have been chartered for fewer than 10 years;
- classify as a minority depository institution; or
- have a low-income designation.

The 2016 consulting period runs from July 1 through December 31. The consulting program [application](#) is available on NCUA's website.

Credit unions chosen for the program will be announced in June; institutions that are not picked in this round may apply again in later rounds. There is no charge for this assistance from NCUA.



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 included 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>
June, 2016	Friday, June 10
July, 2016	Friday, July 15

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## ***Applications Approved***

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Applications approved since April 20, 2016 include:

| <u>Credit Union</u>                                                                          | <u>Changes or Groups Added</u> |
|----------------------------------------------------------------------------------------------|--------------------------------|
| <i>Field of Membership Change – Approved:</i><br><b>Centex Citizens Credit Union (Mexia)</b> | See Newsletter No. 06-14       |

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Applications Received

There were no applications received.

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

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The Department's office will be closed on **Monday, May 30, 2016** in observance of Memorial 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.



To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752

