



Newsletter

No. 05-17



May 17, 2017



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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:

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

Next Commission Meeting

Friday, July 14, 2017 beginning at 9:00 a.m. in the offices of CUD.

CAPS Exercise

How would your credit union respond to a cyber-attack? Find out by participating in the 2017 Financial Services – Information Sharing and Analysis Center (FS-ISAC) Cyber-Attack Against Payment Systems (CAPS) exercises on either September 12-13 or 19-20. Credit unions can participate from their own premises in a virtual, confidential two-day, tabletop exercise that simulates an attack on payment systems and processes. More information about the program is available [here](#).



CDFI Certification Application Period

The NCUA's second streamlined application period for Community Development Financial Institutions Fund certification is now opened. This application period runs through May 26.

Credit unions that have NCUA's low-income designation share many of the qualifications required for CDFI certification. Through the streamlined certification process, low-income-designated credit unions can submit data on loan originations and target markets to the NCUA's Office of Small Credit Union Initiatives. If the NCUA deems the credit union qualified, the agency will give the credit union an application form and the necessary data to complete it.

The CDFI Fund is run by the Treasury Department. Last year, the NCUA and Treasury signed a memorandum of understanding to facilitate increased credit union involvement in the fund, with the aim of doubling the number of CDFI-certified credit unions.



2017 Annual Credit Union Survey

We would like to thank each of you that participated in the 2017 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

Climatologists have predicted a slightly below-average 2017 Atlantic hurricane season that would include 11 named storms, including four hurricanes, with two of them being a Category 3 or stronger systems on the five-step Saffir-Simpson scale.

Credit unions are reminded that it only takes one hurricane making landfall to make it an active season for them and encouraged to prepare the same for every season, regardless of how much activity is predicted.



Extended Examination Cycles

Effective January 1, 2017, the Department began extending examination cycles for Texas state chartered credit unions, in conjunction with the action taken by the National Credit Union Administration under their Examination Flexibility Initiative. State chartered credit unions which meet certain eligibility criteria and are below \$1 Billion in total assets qualify for an extended examination cycle. The credit unions which qualify will normally be examined at intervals of 15 to 18 months, based on the effective dates of the examinations.

While some credit unions are already under the extended cycle, it could take up to eighteen months for all credit unions to be fully phased in. During this transitioning period, some examinations may need to be performed on an annual basis, while others will begin to be moved to the longer cycles consistent with each credit union's eligibility criteria. Thus, some qualifying credit unions may not be moved to the extended cycle immediately. The phase-in period is necessary to ensure each eligible credit unions is assigned to the appropriate examination frequency schedule, and examination staff resources are allocated accordingly.



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> |
|-------------------------|-----------------------------|
| May, 2017 | Friday, May 12 |
| June, 2017 | Friday, June 16 |

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## Applications Approved

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Applications approved since **April 19, 2017** include:

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| <u>Credit Union</u>                           | <u>Changes or Groups Added</u> |
|-----------------------------------------------|--------------------------------|
| <i>Field of Membership Change – Approved:</i> |                                |
| <b>Smart Financial Credit Union</b> (Houston) | See Newsletter No. 03-17       |

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Applications Received

The following applications were received and will be published in the **May 26, 2017** issue of the *Texas Register*.

Field of Membership Change Expansion:

First Class American Credit Union (Fort Worth) – Employees of Blue Apron.

FivePoint Credit Union (Nederland) - Persons who work, reside, or attend school in, and businesses and other legal entities located within a 10-mile radius of the FivePoint Credit Union offices located at 1021 Sawdust Road, Spring, Texas and 3570 FM 1488, Conroe, Texas.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.cud.texas.gov/page/bylaw-charter-applications>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas, 78752-1699.

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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

