



Newsletter

No. 11-16



November 16, 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, March 10, 2017 beginning at 9:00 a.m. in the offices of CUD.

Staff Retirement

It is with mixed feelings that we announce the retirement of our Staff Services Officer, Linda Clevlen. She will retire on November 30, 2017, after 27 years of faithful service to the State of Texas. Over these years, Linda has been an outstanding professional of this agency. She worked dedicatedly and sincerely for a long term, and contributed to our success in many ways. Although, we all will miss her in the future, she now deserves time for family & personal interests. On behalf of the entire Department staff, we wish her the best in her well-deserved retirement.



Top Complaint Categories for Fiscal Year 2016

There were 261 complaints received by the Department in fiscal year 2016. The top complaint categories received by the Department in fiscal year 2016 were:

- Customer Service - 13.41 %;
- Account/Loan Balance – 13.03 %;
- Electronic Funds Transfer - 11.88 %;
- Fees – 10.73%;
- Fraud/Unauthorized – 9.96%;
- Credit Report Issues – 9.58%; and
- Other – 31.41%.

The "Other" category includes complaints related to board of director elections issues, billing disputes, discrimination issues, requests for documentation, member death issues, employment issues, IRA issues, ATM machines, whistle blower issues, ongoing litigation, privacy issues, and automatic renewal issues.



Same-Day Automated Clearing House (ACH) Payments

On September 23, 2016, an amendment to the NACHA Operating Rules became effective, which require all depository financial institutions to be able to receive same-day ACH **credit transactions**. Under the rule, originating depository financial institutions (ODFIs) have the option to send same-day ACH transactions to accounts at any receiving depository institution (RDFI), which makes participation in the rule for receipt of same-day ACH payments mandatory for all RDFIs. Funds from these ACH credit transactions must be available at the end of the RDFI's processing day.

In addition to the above requirement, a second phase (effective September 15, 2017) of same-day ACH transactions will require RDFIs to be able to receive same-day ACH debits, with funds available at the end of the processing day. The third and final phase of same-day ACH functionality becomes March 16, 2018, and will require funds from same-day ACH credits to be made available by 5:00 p.m. using the RDFI's local time.

Due to the accelerated timeframe for transactions under same-day ACH settlements, credit unions should be aware of the potential for increased fraud risk. It is imperative for ODFI credit unions to employ risk management functions which mitigate the potential for this increased risk. ODFIs should emphasize strong authentication and security controls around file delivery and consider tolerance limits (at file, batch and entry levels) for same-day ACH Originators.



Online Examiner's Guide

The National Credit Union Administration (NCUA) has released an online Examiner's Guide, a new interactive tool with searchable content, for credit union staff and examiners. With the launch of the online guide, the NCUA also issued updated guidance on the areas of interest rate risk, risk-focused exams, total analysis process and fidelity bond coverage. The Examiner's Guide can be viewed at <https://www.ncua.gov/newsroom/Pages/news-2016-oct-ncua-launches-new-examiners-guide.aspx>.



Cyber Assessment Tool

The Federal Financial Institutions Examination Council (FFIEC) has issued a frequently asked questions (FAQ) guide related to the Cybersecurity Assessment Tool (Tool). The FAQ guide answers questions and clarifies points in the Tool and supporting materials based on questions received by the FFIEC members over the course of the last year. The Tool was developed to help management determine an institution's risk profile and determine an institution's inherent risks and cybersecurity preparedness. The Tool provides a repeatable and measurable process that management may use to measure cybersecurity preparedness over time. The Tool can be accessed at www.ffiec.gov/cybersecurity.htm.



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>
December, 2016	Friday, December 16
January, 2017	Friday, January 13

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## ***Applications Approved***

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Applications approved since October 19, 2016 include:

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| <u>Credit Union</u>                                                                                                 | <u>Changes or Groups Added</u> |
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| <i>Field of Membership Change – Approved:</i><br><b>Community Resource Credit Union</b> (Baytown)                   | See Newsletter No. 05-15       |
| <i>Merger or Consolidation – Approved:</i><br><b>TrustUS FCU</b> (Midlothian) and <b>Texas Trust CU</b> (Mansfield) | See Newsletter No. 02-16       |
| <i>Articles of Incorporation Change – Approved:</i><br><b>Bridge Credit Union</b> (Corpus Christi)                  | See Newsletter No. 09-16       |

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Applications Received

There were no applications received.

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

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The Department's office will be closed on **November 24-25, 2016** in observance of Thanksgiving.

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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

