



# Newsletter

No. 07-15



July 15, 2015



**Credit Union Department**  
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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.*

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### **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  
Rob Kyker, Vice Chair  
Gary D. Tuma  
Gary L. Janacek  
Sherri B. Merket  
Allyson "Missy" Morrow  
Kay Stewart  
Vik Vad  
A. John Yogerst

### **Next Commission Meeting**

*Friday, October 16, 2015 beginning at 8:00 a.m. in the offices of CUD.*

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## **Credit Union Online User Maintenance**

This is a friendly reminder that credit union administrators are responsible for adding, editing, and deleting administrators, users and others with the Credit Union Basic Role for your credit union. Please review your designated users and remove any obsolete users. If you have any questions about using this function, you can refer to the Online Instructions Guide or contact the NCUA Technical Customer Support at (800) 827-3255.



## **Assistant Commissioner/General Counsel Resigns**

On June 24, 2015, Assistant Commissioner and General Counsel Stacey McLarty announced her intent to resign her position effective July 12, 2015.

In making her announcement to staff, she stated, "I have thoroughly appreciated the opportunity to work with wonderful and talented people in an agency whose mission is to 'safeguard the public interest, protect the financial interests of credit union members, and promote public confidence in the credit union industry'. It has been my privilege to explore the legal and practical aspects of the Credit Union Movement and to assist the Department as it transitions into carrying out more complex duties and utilizing more sophisticated tools and systems to fulfil its mission."

Stacey begins a new job in the Department of State Health Services in the General Counsel's Enforcement Unit on July 13, 2015. She looks forward to continuing to use her skills to serve the State of Texas.

Systems are in place to ensure business continues as usual while the search for a new Assistant Commissioner and General Counsel takes place.



## ***FFIEC Cybersecurity Assessment Tool***

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The Federal Financial Institutions Examination Council (FFIEC) has issued a Cybersecurity Assessment Tool (Assessment) that credit unions may use to evaluate their risks and cybersecurity preparedness. The Department will be gradually incorporate the Assessment into examinations process over time to benchmark and assess credit union cybersecurity efforts.

While use of the Assessment is optional for credit unions, the use of the Assessment may help credit unions determine whether the credit union's cybersecurity maturity levels align with its inherent risk profile. In addition to the Assessment, the FFIEC has also made available [resources](#) credit unions may find useful, including an executive overview, a user's guide, an online presentation explaining the Assessment, and appendixes mapping the Assessment's baseline items to the *FFIEC Information Technology (IT) Examination Handbook* and to the National Institute of Standards and Technology's (NIST) Cybersecurity Framework.



## ***Rule Activity at the Commission Meeting***

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The Commission voted to publish for comment proposed changes to **Rule 91.802** (Investments). The proposed amendments would add new definitions, clarify and amend the existing terms in the rule and ensure that credit unions have parity with federal credit union investment authority. The proposed rule can be reviewed at this ["link"](#).

The Commission voted to publish for comment proposed changes to **Rule 91.803** (Investment Limits and Prohibitions). Currently credit unions may not invest more than 50% of its net worth with any single obligor or related obligor. The proposed amendments would exclude from that limitation any deposits held by a Federal Reserve Bank or any investment insured or guaranteed by the United States Government and would make substantive changes to the list of prohibited activities. The proposed text is available at this ["link"](#).

The Commission also voted to publish for comment proposed changes to **Rule 91.805** (Loan Participation Investments). This rule pertains to the purchase of a loan where the borrower is neither a member of the credit union nor member of another participating credit union. The proposed amendments would clarify the limitations applicable to the purchase of this type of loan participation. The revised rule can be viewed at this ["link"](#).

In Addition, the Commission voted to publish for comment proposed changes to **Rule 91.401** (Purchase, Lease or Sale of Fixed Assets). The proposed amendments would allow more flexibility to credit unions for investments in property and would reduce regulatory burden for credit unions. The proposed amendments would also streamline and clarify definitions, reduce the requirement for credit unions to obtain prior approval from the Department to invest in credit union premises in an amount that exceeds the credit union's net worth. The proposed text is available at this ["link"](#).

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## Rule Activity at the Commission Meeting

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Continued from page 2

The Commission also voted to publish for comment proposed changes to **Rule 91.901** (Reserve Requirements). These proposed amendments would impose a new requirement on credit unions that are not able to make the transfers of income, required by this rule, for three consecutive quarters. Credit unions would be required to develop a written plan to come into compliance with the rule and that the credit union's plan would be considered a written agreement with the Department. The revised rule can be reviewed at this ["link"](#).

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## Publication Deadlines

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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> |
|-------------------------|-----------------------------|
| August, 2015            | Friday, August 14           |
| September, 2015         | Friday, September 11        |

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## Applications Approved

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Applications approved since June 17, 2015 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change – Approved:</i>	
<b>Energy Capital Credit Union</b> (Houston) (#1 & #2)	See Newsletter No. 06-14
<b>First Service Credit Union</b> (Houston) (#1 & #2)	See Newsletter No. 04-15
<b>Public Employees Credit Union</b> (Austin) (#1)	See Newsletter No. 04-15
<b>United Credit Union</b> (Tyler) (Amended) Persons who live, work, worship or attend school in Wood or Van Zandt Counties, Texas that are serviced by United States Postal Zip Codes 75103, 75124, 75140, 75752, 75754, 75765, 75773, or 75790.	See Newsletter No. 02-15
<i>Articles of Incorporation Change – Approved:</i>	
<b>Texas Bay Area Credit Union</b> (Houston)	See Newsletter No. 05-15
<i>Merger or Consolidation – Approved:</i>	
<b>TCC CU</b> (Dallas) and <b>Texas Dow Employees CU</b> (Lake Jackson)	See Newsletter No. 03-15
<i>Charter Change – Approved:</i>	
<b>First Basin Credit Union</b> (Odessa)	50 Years to Perpetuity

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## ***Applications Received***

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The following applications were received and will be published in the July 31, 2015 issue of the Texas Register.

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### *Field of Membership Expansion:*

**West Texas Educators Credit Union** (Odessa) – To permit persons who live, work, worship or attend school in Pecos County, Texas, to be eligible for membership in the credit union.

**Neighborhood Credit Union** (Dallas) – To permit persons who work, reside, worship or attend school within a 10-mile radius of Neighborhood Credit Union’s Highland Village branch at 2710 North Justin Road, Highland Village, Texas 75077, to be eligible for membership in the credit union.

**Scott & White Employees Credit Union** (Temple) – To permit employees of Baylor Scott & White Health and its majority owned subsidiaries, including employees of any successors in interest, and on-site contractors who have a business relationship with Baylor Scott & White Health and who are supervised from Baylor Scott & White Headquarters, Bell County, Texas, to be eligible for membership in the credit union.

**InTouch Credit Union** (Plano) – To permit employees of Goodman Networks and its majority owned subsidiaries, including employees of any successors(s) in interest, on-site contractors/vendors who have a business relationship with Goodman Networks and regularly work on Goodman Networks facilities at one or more Goodman Networks locations throughout the United States, and members of the family of such persons, except foreign nationals at foreign locations, to be eligible for membership in the credit union.

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

# **Happy Summer**