



Newsletter

No. 07-17



July 19, 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
Sherri Brannon Merket, Vice Chair
Beckie Stockstill Cobb
Yusuf E. Farran
Steven "Steve" Gilman
Jim Minge
Kay Stewart
Vik Vad
Rick Ybarra

Next Commission Meeting

Friday, November 3, 2017 beginning at 9:00 a.m. in the offices of CUD.

Third Party Relationship

The Department expects a credit union to practice effective risk management regardless of whether the credit union performs the activity internally or through a third party. A credit union's use of third parties does not diminish the responsibility of its board of directors and senior management to ensure that the activity is performed in a safe and sound manner and in compliance with applicable laws.

Not all third-party relationships present the same level of risk. The same relationship may present varying levels of risk across credit unions. A credit union should perform a risk assessment for each third-party relationship and then determine how to adjust risk management practices for each relationship. The goal is for the credit union's risk management practices for each relationship to be commensurate with the level of risk and complexity of the third-party relationship. This risk assessment should be periodically updated throughout the relationship. It should not be a one-time assessment conducted at the beginning of the relationship.



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 for contact the NCUA Technical Customer Support at (800) 827-3255.



Notice of Proposed Rulemaking and Opportunity to Comment

At its meeting earlier this month, the Credit Union Commission initiated the rulemaking process and approved for publication and comment the below listed proposals.

Rule 91.101. Definitions and Interpretations. The Department is proposing certain amendments to this rule. The proposed amendments would add one new definition, modify four definitions, and delete two definitions. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.115. Safety at Unmanned Teller Machines. The Department is proposing several amendments to this rule. The proposed amendments would require a credit union to provide notice of basic unmanned teller machine safety precaution whenever an access device is issued or renewed. In addition, the amendments would permit the notice to be delivered electronic if the member has agreed. And finally, the amendments would clarify that only one notice is required in the event the credit union furnishes an access device to more than one person on the same account. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.121. Complaint Notification. The Department is proposing some amendments to this rule. The proposed amendments would allow the required notice to be in a form that is substantially similar to the notice required by the rule. In addition, the proposed changes would alter the content of the required notice to include the department's facsimile number and an email address as well as provide clarification and better readability. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.205. Credit Union Name. The Department is proposing specific amendments to this rule. The proposed amendments would make it clear that credit unions are solely responsible for any unauthorized use or infringement on a business trade name. In addition, the proposed changes would emphasize the need for a credit union to use appropriate due diligence in selecting a credit union name. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.209. Call Reports and Other Information Requests. The Department is proposing certain amendments to this rule. The proposed amendments would eliminate the specific due date for submission of call reports to avoid any conflict or confusion should the National Credit Union Administration (NCUA) establish a different date for submitting its Form 5300. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.1003. Mergers/Consolidations. The Department is proposing selected amendments to this rule. The proposed amendments would require credit unions to include in the merger plan a description of any arrangements providing a substantial increase in compensation or benefits to a board member or senior management employee of the acquiree credit union in connection with the merger/consolidation. The proposed change will help ensure that both the acquirer and acquiree credit unions have information about financial arrangements that would not otherwise be received if the merger/consolidation is not completed. The proposed modifications can be reviewed by clicking on this [link](#).

Rule 91.1010. Voluntary Liquidation. The Department is proposing a new rule. The proposed new rule would provide guidelines to assist the board of directors or liquidating agent in conducting the liquidation of the credit union in a more orderly and expeditious manner and to arrange distribution of the assets to the members without undue delay. The proposed rule can be reviewed by clicking on this [link](#).

The Department encourages credit unions to review and comment on any or all of the rule proposals. All comments received on or before 5:00 p.m. on August 28, 2017 will be weighed and considered before any final proposal is adopted.



5300 June 2017 Call Report Cycle

The 5300 Call Report, with credit union profile updates must be successfully submitted by **Sunday, July 30, 2017, 11:59:59 p.m., EDT** to avoid paying civil money penalties. Note that this filing deadline has been extended an additional four days then previous submissions. NCUA continues to send email reminders before the deadline to credit unions with outstanding call reports. If after attempting submission you receive such an email, please log in to the Credit Union Online immediately, resubmit your call report, and look for the NCUA's confirmation to limit the fine.



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>
August, 2017	Friday, August 11
September, 2017	Friday, September 15



Applications Approved

Applications approved since **June 21, 2017** include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
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Field of Membership Change – Approved:

Amplify Credit Union (Austin) (Modified)

Voting members of the American Red Cross – Central and South Texas Region who reside within the State of Texas

FivePoint Credit Union (Nederland)

[See Newsletter No. 05-17](#)



Applications Received

The following applications were received and will be published in the **July 28, 2017** issue of the *Texas Register*.

Field of Membership Expansion:

Texas Bay Credit Union (Houston) – Persons who live, work, attend school, or worship in and businesses located within 10 miles of the offices of Texas Bay Credit Union located at 4747 FM 1463, Suite 1000, Katy, Texas 77494 and 9212 Fry Road, Suite 100, Cypress, Texas 77433.

Articles of Incorporation:

West Texas Educators Credit Union (Odessa) – The credit union is proposing to change its name to West Texas Credit Union.

CTECU (Bellaire) – The credit union is proposing to change the location of the principal place of business of the credit union to 3100 Wilcrest, Suite #141, Houston, Texas 77042.

Foreign Credit Union to Operate a Branch Office:

An application was received from **TruWest Credit Union**, Scottsdale, Arizona to operate a Foreign (out of state) Branch Office to be located at 1824 W. Slaughter Lane, Austin, Texas 78748.

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.



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

