



# Newsletter

No. 05-22



May 18, 2022



## Credit Union Department

914 East Anderson Lane  
Austin, Texas 78752

Phone: 512-837-9236

Fax: 512-832-0278

Email: [cudmail@cud.texas.gov](mailto:cudmail@ cud.texas.gov)

Web Site: [www.cud.texas.gov](http://www.cud.texas.gov)

The Credit Union Department (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:

Yusuf E. Farran, Chair  
Sherri Brannon Merket, Vice Chair  
Elizabeth L. "Liz" Bayless  
Karyn C. Brownlee  
Beckie Stockstill Cobb  
Steven "Steve" Gilman  
Jim Minge  
David F. Shurtz  
Kay Rankin-Swan

## Next Commission Meeting

Friday, June 10, 2022 beginning at 9:00 a.m. in the offices of CUD.

\*\*\*\*

## **2022 Hurricane Season Reminder to Keep BCM and EM Systems Updated**

As we prepare for the June 1, 2022 start of the hurricane season, credit unions are reminded to review, test and, if necessary, update their emergency management response and contingency planning policies and procedures. While the annual reminder of hurricane season ensures Texas citizens are imminently aware of the impact of natural and other disasters such as pandemics, it is also important to remember the implications of man-made attacks on our infrastructure, including cyberattacks on the financial services sector.

While Texas chartered credit unions have proven their ability to appropriately react to all the past scenarios that threatened their operations, and their members financial health, it is imperative that institutions remain diligent in their efforts and when necessary, adopt an elevated state of awareness and conduct proactive threat searches.

To assist, the Department is providing the following reference information for credit unions as they review their current policies, test their procedures and modify practices to keep current.

[FFIEC Business Continuity Management IT Booklet](#)  
[FFIEC Interagency Statement on Pandemic Planning](#)  
[NCUA Hurricane and Disaster Information](#)  
[NCUA Cybersecurity Resources](#)



## **Upcoming Regular Commission Meeting**

The Credit Union Commission will hold its Regular meeting on **Friday, June 10, 2022, at 9:00 a.m.**, in the Department's conference room. The meeting packet will be available on the CUD website by May 31.

## **2022 Annual Credit Union Survey**

We would like to thank each of you that participated in the 2022 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.



### **Digital Bank Heists – Because That’s where the Money is Today** *(Courtesy of Kevin Townsend, SecurityWeek)*

The financial sector is in the crosshairs of criminal cartels and nation-state actors. Criminals seek a lucrative market, and nation-states treat profit as a form of sanctions-busting. With the high volume of Russian-speaking gangs and the current sanctions against the Russian state, this makes Russia a major threat to financial institutions – albeit not the only one.

[Modern Bank Heists 5.0 \(PDF\)](#) is the fifth iteration of an annual report on security in the finance sector written by Tom Kellermann, head of cybersecurity strategy at VMware. Kellermann has a keen interest in the subject since writing the first book on finance and security, *Electronic Safety and Soundness, Securing Finance in a New Age*, back in 2005. This report focuses on the current opinions and experience of the industry’s top CISOs and security leaders.

There are six primary takeaways from the respondents to the report:

1. increasing destructive attacks (up 14 points to 63%);
2. attacks targeting market strategies (66%);
3. a high level of ransomware attacks (74% – 63% of which were paid);
4. concern over the security of cryptocurrency exchanges (83%);
5. a large increase in island hopping attacks (60%, up from 2% last year): and
6. a planned 20% to 30% increase in security spending

The reason that financial institutions are under constant attack is simple: that’s where the money is today. The attackers comprise advanced criminal gangs (often part of a larger cartel) and nation states. The nation state attackers are particularly North Korean or Russian, where the proceeds are used to offset sanctions. “According to the World Economic Forum” Kellermann told SecurityWeek, “the proceeds associated with the dark web are more than \$1 trillion per year – and I would estimate that more than 50% of that goes right back into the Russian economy.”

[Read the entire article here.](#)

Related Reading: [Why Ransomware Response Matters More Than Protection](#)



## **NASCUS to Host Cannabis Banking Symposium**

As national and state regulations regarding hemp and marijuana production, processing and sales evolve, it is important credit unions ensure their ability to identify and appropriately monitor cannabis related accounts, and understand their legal responsibilities. While marijuana remains highly controlled in Texas under state and federal law, agricultural hemp production and processing is on the rise. Without a clear understanding of the definitions of those terms, and the regulations that define them, your institution could risk not identifying a cannabis related account, failing to meet your legal responsibilities and therefore violate state and/or federal regulations.

The National Association of State Credit Union Supervisors (NASCUS) hosts an annual summit to bring credit union industry members, regulators and other interested parties together from around the country to discuss these types of accounts, the risks of handling those members and how to mitigate regardless of what state law your institution operates under.

For more information on the June 14-15 NASCUS Cannabis Banking Symposium with special guest NCUA Board Member Rodney E. Hood follow this link: <https://web.cvent.com/event/de59c0b3-9f9c-4802-9658-bbb8cf035d41/summary>.



### **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 shown below. Completed applications received after the deadline for the month cannot be published until the following month.

<b><u>Publication Date</u></b>	<b><u>Application Deadline</u></b>
June 2022	Friday, June 10
July 2022	Friday, July 15



### **Applications Approved**

Applications approved since April 20, 2022.

---

#### **Credit Union**

#### **Changes or Groups Added**

#### **Field of Membership – Approved:**

Texoma Community CU (Wichita Falls)

[See Newsletter No. 03-22](#)

## **Applications Approved (Continued)**

### **Merger or Consolidation – Approved:**

Neighborhood CU (Dallas) and Pollock Employees CU (Dallas)

[See Newsletter No. 11-21](#)

~~~~~

## **Applications Received**

The following applications were received and will be published in the **May 27, 2022** issue of the *Texas Register*.

---

### **Field of Membership:**

**Texas Bay CU** (Houston) – Persons who live, work, attend school or worship in and businesses and other legal entities located in Brazoria, Chambers, Liberty and Waller Counties, Texas, to be eligible for membership in the credit union.

### **Articles of Incorporation:**

An application was received from **American Baptist Credit Union** (Rosharon) to amend its Articles of Incorporation relating to principal place of business.

~~~~~

## **Upcoming Holiday Schedule for CUD**

The Department's Office will be closed on **Monday, May 30th** in observance of Memorial Day.

*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

