



# Newsletter

No. 06-22



June 15, 2022



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*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.*

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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:

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

## Next Commission Meeting

*Friday, September 16, 2022 beginning at 9:00 a.m. in the offices of CUD.*

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## Commissioner Kolhoff Resigns

The Texas Credit Union Commission has accepted the resignation of its top executive, John J. Kolhoff, to be effective July 15, 2022. After serving as the Department's Commissioner for three and one-half years, Kolhoff decided to resign to pursue other opportunities.

Chairman Jim Minge made the following statement on behalf of the nine-member Commission: "We appreciate the Commissioner's outstanding leadership during an unprecedented time in our history, and we wish him well in his future endeavors. Despite the pandemic and other challenges, the Department made significant progress during his tenure. We are well-positioned to continue moving forward. The future of credit unions in Texas is bright."

The Commission has initiated the plan for succession as outlined in its policy manual. Deputy Commissioner Robert W. Etheridge will assume the role of Interim Commissioner as of July 16, 2022 until the position is filled. A vacancy posting for this position is forthcoming to the Department's website, [www.tud.texas.gov](http://www.tud.texas.gov).



## Reminder - Annual Bond Coverage Review

In accordance with 7 TEX. ADMIN. CODE §91.510, the board of directors are required to annually review its fidelity and other insurance coverage to assess the continuing adequacy, and if there is a need for any supplemental coverage. Additionally, Part 713.2 of the NCUA Rules and Regulations requires the board of directors of each federally insured credit union, after review, to pass a resolution approving the purchase or renewal of fidelity bond coverage and delegate one member of the board, who is not an employee of the federally insured credit union, to sign the purchase or renewal agreement and all attachments.



## **Early Stage Delinquency**

After over two years of experiencing the impact of the COVID pandemic, the aggregate financial performance of Texas state-chartered credit unions is strong. Capital strength for the Texas industry is sound, and as of March 31, 2022 earnings, loan delinquency and charge-off ratios reached their best levels in over seven years.

Regardless of the positive financial trends being recognized, the current economic environment elevates the potential for rising delinquencies and loan losses. To timely identify and mitigate any emerging loan quality risks, credit unions are encouraged to monitor their loan delinquency trends closely. Early stage delinquent loans are an excellent indicator of future increases in reportable delinquency and higher loan losses. In conjunction with delinquency reporting at monthly board meetings, credit union management is encouraged to provide its board members with monthly trend reports for past due loans in the 30 to 59-day delinquency category and engage in a discussion of collection efforts on these loans. Credit union officials have a responsibility to provide adequate administrative oversight of operations, which includes ensuring that appropriate action is taken to identify and address any adverse loan quality trends. Ultimately, rises in early stage delinquencies can result in increased losses which can impact the financial strength and integrity of a credit union.



## **Response to Examination Report**

This is a reminder that all responses to examination reports need to be submitted directly to this email address: [cudmail@cud.texas.gov](mailto:cudmail@ cud.texas.gov). This will ensure that your response is received and processed in a timely manner.



## **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>
July 2022	Friday, July 15
August 2022	Friday, August 12



## **Applications Approved**

Applications approved since May 18, 2022.

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### Credit Union

### Changes or Groups Added

#### Field of Membership – Approved:

MTCU (Midland)

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

Texas Bay CU (Houston)

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

First Community CU (Houston)

[See Newsletter No. 02-22](#)

Gulf CU #1 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #2 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #3 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #4 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #5 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #6 (Groves)

[See Newsletter No. 04-22](#)

Gulf CU #7 (Groves)

[See Newsletter No. 04-22](#)

#### Articles of Incorporation Change – Approved:

An application was received from **West Texas Credit Union** (Odessa) to amend its Articles of Incorporation relating to principal place of business.



## **Applications Received**

The following applications were received and will be published in the **June 24, 2022** issue of the *Texas Register*.

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#### Field of Membership

**Amplify Credit Union** (Austin) – Persons who live, work, attend school or worship in and businesses and other legal entities located in Bosque, Coryell, Falls, Freestone, Hill, Lampasas, Limestone, Navarro, and McLennan Counties, Texas, to be eligible for membership in the credit union.

**Amplify Credit Union** (Austin) – Persons who live, work, attend school or worship in and businesses and other legal entities located in Collin, Dallas, Denton, Ellise, Hunt, Kaufman, Rockwall, Johnson, Parker, Tarrant and Wise Counties, Texas, to be eligible for membership in the credit union.

## **Applications Received (Continued)**

**Cooperative Teachers Credit Union** (Tyler) – Persons who live, work, attend school or worship in and businesses and other legal entities located in Anderson, Andrews, Angelina, Aransas, Archer, Armstrong, Atascosa, Austin, Bailey, Bandera, Bastrop, Baylor, Bee, Bell, Bexar, Blanco, Borden, Bosque, Bowie, Brazoria, Brazos, Brewster, Briscoe, Brooks, Brown, Burleson, Burnet, Caldwell, Calhoun, Callahan, Cameron, Camp, Carson, Cass, Castro, Chambers, Cherokee, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Colorado, Comal, Comanche, Concho, Cooke, Coryell, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, DeWitt, Dickens, Dimmit, Donley, Duval, Eastland, Ector, Edwards, El Paso, Ellis, Erath, Falls, Fannin, Fayette, Fisher, Floyd, Foard, Fort Bend, Franklin, Freestone, Frio, Gaines, Galveston, Garza, Gillespie, Glasscock, Goliad, Gonzales, Gray, Grayson, Gregg, Grimes, Guadalupe, Hale, Hall, Hamilton, Hansford, Hardeman, Hardin, Harris, Harrison, Hartley, Haskell, Hays, Hemphill, Henderson, Hidalgo, Hill, Hockley, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Hutchinson, Irion, Jack, Jackson, Jasper, Jeff Davis, Jefferson, Jim Hogg, Jim Wells, Johnson, Jones, Karnes, Kaufman, Kendall, Kenedy, Kent, Kerr, Kimble, King, Kinney, Kleberg, Knox, La Salle, Lamar, Lamb, Lampasas, Lavaca, Lee, Leon, Liberty, Limestone, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, Madison, Marion, Martin, Mason, Matagorda, Maverick, McCulloch, McLennan, McMullen, Medina, Menard, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Moore, Morris, Motley, Nacogdoches, Navarro, Newton, Nolan, Nueces, Ochiltree, Oldham, Orange, Palo Pinto, Panola, Parker, Parmer, Pecos, Polk, Potter, Presidio, Rains, Randall, Reagan, Real, Red River, Reeves, Refugio, Roberts, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, San Saba, Schleicher, Scurry, Shackelford, Shelby, Sherman, Smith, Somervell, Starr, Stephens, Sterling, Stonewall, Sutton, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Upton, Uvalde, Val Verde, Van Zandt, Victoria, Walker, Waller, Ward, Washington, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Winkler, Wise, Wood, Yoakum, Young, Zapata, and Zavala, Counties, Texas, to be eligible for membership in the credit union.

### **Merger or Consolidation:**

An application was received from **A New Direction Credit Union** (Dallas) seeking approval to merge with **Resource One Credit Union** (Dallas), with the latter being the surviving credit union. In accordance with the Finance Code §122.005(b) and 7 TAC §91.104(b), the Commissioner has the authority to waive or delay public notice of an action.



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

The Department's Office will be closed on **Monday, July 4th** in observance of Independence 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.*

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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

