

CREDIT UNION COMMISSION SPECIAL MEETING MINUTES
Credit Union Department Building
914 East Anderson Lane, Austin, Texas
May 27, 2022

A. CALL TO ORDER -- Chair Jim Minge called the meeting to order at 11:00 a.m. in the conference room of the Credit Union Department Building, Austin, Texas, pursuant to Chapter 551 of the Government Code, and declared that a quorum was present. Other members present included, Liz Bayless, David Bleazard, Karyn Brownlee, Beckie Stockstill Cobb, Sherri Merket, David Shurtz and Kay Swan. Commission member Yusuf Farran was absent. The Chair introduced General Counsel Nancy Elmilady, to serve as legal counsel for the Commission at this meeting. Representing the Department staff were John J. Kolhoff, Commissioner, Robert Etheridge, Deputy Commissioner, and Joel Arevalo, Director of Information and Technology. Chair Minge appointed Isabel Velasquez as Recording Secretary. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (**May 19, 2022 TRD#2022003063**).

Chair Minge declared a moment of silence in memory of the terrible events that happened in Uvalde, Texas this week.

Chair Minge announced that he had received a phone call that he did not expect appointing him as the Chair of this Commission which he accepted to do so as an honor and a privilege. Mr. Minge elaborated that credit unions started as people helping people. He noted that as a Commission, we are the people that have an honor of helping Texas credit unions, and their members by ensuring a strong and viable charter. We should keep in mind that's what we are trying to do by having a great regulator that does a great job of regulating our industry and empowering them to help Texas. This is his goal as the new Chair. Furthermore, he thanked Commissioner Kolhoff for all he has done and accomplished these past few years.

❖ **GENERAL PUBLIC COMMENT** -- Chair Minge invited public input on matters that were not scheduled items on the agenda for possible future consideration by the Commission.

✚ **Melodie Durst, Executive Director, Credit Union Coalition of Texas** – Ms. Durst recognized several of the Coalition members that were in the audience today from across the state. She expressed support for about what is to be discussed. She stated the Coalition wants to ensure that we have a strong regulator and have a strong and healthy industry in the state of Texas. On behalf of the Coalition, she is aware Commissioner Kolhoff has submitted his letter of resignation. We are hopeful that maybe he will reconsider taking that step and the Commission will take necessary steps to encourage him to reconsider. We were fortunate in Texas under our previous Commissioner for over two decades to have continuity and this is really important in financial services regulation. Furthermore, through his skills and leadership Commissioner Kolhoff has led our industry through unprecedented times and credit unions continue to do well.

✚ **Suzanne Yashewski, Cornerstone Credit Union League Regulatory Compliance Counsel** – Ms. Yashewski stands in unison with Ms. Durst on the same issues. She noted that our member credit unions have done very well, and most of that is due to the good guidance that the state charter credit unions are receiving from the current department. The League would be delighted to have Mr. Kolhoff continue to be Commissioner of the Credit Union Department. Furthermore, during these difficult times, credit unions have been able to succeed with the changes that we see coming, whether it's a possible recession and just knowing we are in good hands. Finally, she would hope that we can continue going forward and into the future. Commissioner Kolhoff was thanked for all the hard work he provided.

✚ **David A. Frazier, President/CEO of Texans Credit Union** – Mr. Frazier expressed an extreme honor to be here today to speak to the Commission. He reported that Texans Credit Union has about 114,000 members and about 97% of those members still reside in the state of Texas. He was saddened and disappointed to hear about the resignation of Commissioner Kolhoff. The Commissioner has been fair and balanced for credit unions in the industry. He works well and understands our need to grow and mature as an industry, but also ensures safety and soundness along the way. It is Mr. Frazier’s hope that Commissioner Kolhoff will reconsider his resignation and come to an agreement that is mutually beneficial for the Commission, as well as the credit union industry and state-chartered credit unions.

✚ **Bill Nikolauk, CEO/President, First Community Federal Credit Union, San Angelo, Texas** – Mr. Nikolauk reported his credit union is looking at converting to a state charter after a meeting with Commissioner Kolhoff and Deputy Commissioner Etheridge and expressed that both their philosophies are more in line with what they want to do as opposed to the federal charter. He further expressed that one of the main charter consideration is because of Mr. Kolhoff and all the good things that he has heard, not just here at this meeting, but from folks where he came from up in Michigan. Mr. Nikolauk stated he can’t speak highly enough for the Commissioner and are hoping he seriously considering staying.

B. COMMISSION POLICY RELATED TO COMMUNICATIONS AND SEPARATION OF RESPONSIBILITIES/DUTIES BETWEEN THE COMMISSION AND THE COMMISSIONER AND NOTICE OF THE COMMISSIONER’S RESIGNATION. Chairman Minge stated that the Commission would be entering into Executive Session as provided under Section 551.074 and 551.071 of the Texas Government Code. The Commission entered into Executive Session at 11:10 a.m., and reconvened in open session at 11:48 a.m.

Chairman Minge noted that no formal action was taken by the Commission during the closed session.

C. FUTURE COMMISSION MEETINGS: Agenda Items, Arrangements, and Dates. Chair Minge reminded everyone that the next regular meeting of the Commission has been tentatively scheduled for June 10, 2022 at 9:00 a.m., in Austin. At this time, we wish to have two additional agenda items added to the June 10th meeting for future discussion: (1) Commissioner Kolhoff's intentions and (2) adding an Ad hoc Committee group to review the Commission's Policy Manual.

ADJOURNMENT – There being no further business for the Credit Union Commission, Chair Minge adjourned the meeting at 11:50 a.m.

Jim Minge
Chairman

Isabel Velasquez
Recording Secretary

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