



Newsletter

No. 01-23



January 18, 2023



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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.*

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, March 10, 2023 beginning at 9:00 a.m. in the offices of CUD.

Third Party Relationships and Due Diligence

With the increasing use of third parties for financial technology products and services, it is essential for credit unions to carefully look at third party relationships and perform appropriate due diligence. The need for such review is demonstrated by the recent failures of FTX and several other Crypto firms. The attached [link](#) for Credit Union Department Bulletin RB 2018-01 provides guidance on managing third party risk.

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.



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.

<u>Publication Date</u>	<u>Application Deadline</u>
February 2023	Friday, February 10
March 2023	Friday, March 10



Applications Approved

Applications approved since December 21, 2022.

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<u>Field of Membership – Approved:</u>	
Texas Dow Employees CU (Lake Jackson)	See Newsletter No. 11-22

Articles of Incorporation – Approved:

An application was received from **Plus4 Credit Union** (Houston) to amend its Articles of Incorporation relating to name change. [See Newsletter No. 11-22](#)

Applications Received

The following applications were received and will be published in the **January 27, 2023** issue of the *Texas Register*.

Field of Membership

Hockley County School Employees Credit Union #1 (Levelland) – Members of Levelland Lobo Booster Club (Lobo Booster Club), to be eligible for membership in the credit union.

Hockley County School Employees Credit Union #2 (Levelland) – Members of Smyer Band Booster Club (Band Booster Club), to be eligible for membership in the credit union.

Hockley County School Employees Credit Union #3 (Levelland) – Members of South Plains College Texan Club (Texan Club), to be eligible for membership in the credit union.



Upcoming Holiday Schedule for CUD

The Department's office will be closed on **February 20, 2023** in observance of Presidents' Day.

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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

