



Newsletter

No. 11-23



November 15, 2023



Credit Union Department

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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
Elizabeth L. "Liz" Bayless
David Bleazard
Karyn C. Brownlee
Beckie Stockstill Cobb
David F. Shurtz
Kay Rankin-Swan

Next Commission Meeting

Friday, March 8, 2024, beginning at 9:00 a.m. in the offices of CUD.

Cultivating a Culture of Compliance and Service

As consumer-focused financial institutions, compliance with consumer protection laws sets minimum standards for member service. Developing a culture of compliance means paying attention to compliance and member service at all levels, from the front-line teller to the C-suites of your credit union.

At the Credit Union Department, one of our functions is to process member complaints related to their credit unions. Many of these complaints could have been avoided with a culture of compliance and member service. Last year we processed 515 complaints, and of those, 156 (over 25%), involved disputes related to fraud or billing errors, by far our largest segment. A robust, member focused, dispute resolution process as required by Regulation E (debit cards, ACH) and Z (credit cards) disputes would have prevented many of these complaints.

Another area of common member complaints surrounds vehicle loans. Many disputes involve the member being pressured by the car dealer to purchase a more expensive vehicle or add-ons such as warranties and insurance without adequate time to consider the costs and need for the products. Credit Unions should be aware of implications of consumer protection holder rules, where loans originated by a dealer, subsequently assigned to credit unions, are subject to being offset by claims of the borrower against the dealer. See [Holder in Due Course Rule | Federal Trade Commission \(ftc.gov\)](https://www.ftc.gov).

Understanding the requirements of consumer protection rules related to serving credit union members goes a long way, not only in preventing complaints, but limiting losses.



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>
December 2023	Friday, December 15
January 2024	Friday, January 12

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## ***Applications Approved***

Applications approved since October 18, 2023.

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| <b><u>Credit Union</u></b>                                         | <b><u>Changes or Groups Added</u></b>    |
|--------------------------------------------------------------------|------------------------------------------|
| <b><u>Field of Membership - Approved</u></b>                       |                                          |
| Members Choice Credit Union (Houston)                              | <a href="#">See Newsletter No. 09-23</a> |
| <b><u>Merger or Consolidation - Approved</u></b>                   |                                          |
| Telco Plus CU (Longview) and Kilgore Shell Employees FCU (Kilgore) | <a href="#">See Newsletter No. 05-23</a> |

## ***Applications Withdrawn***

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| <b><u>Credit Union</u></b>                    | <b><u>Changes or Groups Added</u></b>    |
|-----------------------------------------------|------------------------------------------|
| <b><u>Field of Membership - Withdrawn</u></b> |                                          |
| Amplify Credit Union (Austin)                 | <a href="#">See Newsletter No. 06-22</a> |
| Amplify Credit Union (Austin)                 | <a href="#">See Newsletter No. 06-22</a> |

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## ***Applications Received***

There were no applications received.

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Upcoming Holiday Schedule for CUD

The Department's office will be closed on **November 22-24, 2023**, in observance of Thanksgiving.

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

