

**CREDIT UNION COMMISSION RULES COMMITTEE
MEETING MINUTES**

NOVEMBER 2, 2023

A. CALL TO ORDER – Chairman David Shurtz called the meeting to order at 9:02 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, and Beckie Stockstill Cobb. Staff member in attendance was Michael S. Riepen, Commissioner. Chairman Shurtz appointed Isabel Velasquez as recording secretary. Chairman Shurtz introduced Karen L. Miller, General Counsel for the Department, who will serve as legal counsel for the Committee at this meeting. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (**October 16, 2023, TRD#2023005942**).

❖ RECEIVE REQUESTS AND MOTIONS FOR EXCUSED ABSENCES –

Chair Shurtz inquired if there were any requests or motions to excuse an absence. There was none.

❖ INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION

– Chairman Shurtz invited public input on matters regarding rulemaking for future consideration by the committee. There was none.

B. RECEIVE MINUTES OF PREVIOUS MEETING (November 4, 2021)

Mrs. Cobb moved to approve the minutes of November 4, 2021, as presented. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

C. RULEMAKING MATTERS

(a) Approval for Publication and Comment the Proposed Amendments to 7 TAC, Part 6, Chapter 97, Subchapter B, Section 97.113 Concerning Fees and Charges. Commissioner Riepen explained that the most recent adjustment to the fee schedule was made on July 12, 2009. The amendment consolidated 5 brackets and added additional brackets for credit unions \$2 billion and over. Percentages slightly decreased or remained the same in lower brackets, with small, gradual increases in higher brackets. Mr. Riepen further reported that there is an increased need for funds to support budget flexibility for long range planning; respond to increased reliance on technology by both the Department and the entities it regulates; respond to greater complexity surrounding risks at credit unions; address the need to prepare for retirements of key staff; increase operating reserves; replace the operating fee revenue loss from a large state chartered credit union that converted to a federal charter; and fund deferred facility maintenance costs. The new calculations provide some regulatory fee relief to credit unions under \$200 million in assets and protects the larger credit unions from any material increase as the maximum dollar fee increase is \$19,640. Furthermore, we are proposing an amendment to give the Commissioner the authority to reduce the operating fee in addition to simply waiving it. This will give the Department more flexibility in situations where an adjustment to the fee may be appropriate, while waiving the entire fee is unnecessary.

Committee Chairman Shurtz opened the floor to the public for discussion.

❖ **Melodie Durst, Executive Director, Credit Union Coalition of Texas.**

Mrs. Durst briefly reported that the Coalition has had some feedback from some of their members. While the rule has not been changed since 2009, it is important to note that fees that credit unions are paying have increased and based on the formula credit unions are paying more. Mrs. Durst expressed that she did not receive any comments that are not supportive of the reasons for the increase, whether its cybersecurity or any of the other initiatives that have already been adopted back in August. Lastly, she encouraged the Committee to take a little closer look at the methodology and how much of an increase each credit union would see.

After a lengthy discussion among the committee members, Mrs. Bayless made a motion to recommend that the Commission approve for publication and comment the proposed amendments to rule 7 TAC, **Section 97.113**. Mrs. Cobb seconded the motion, and the motion was unanimously adopted.

ADJOURNMENT -- There being no other items to come before the Committee, and without objection, the meeting was adjourned at 10:25 a.m.

David F. Shurtz
Chairman

Isabel Velasquez
Recording Secretary

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