



Newsletter

No. 6-24



June 19, 2024



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

Next Commission Meeting

Friday, July 19, 2024, beginning at 9:00 a.m. in the offices of CUD.

Response to Examination Report and Suspicious Activity Reports (SARs)

This is a reminder that all responses to examination reports and submission of Suspicious Activity Reports (SARs) need to be submitted directly to this email address: cudmail@tud.texas.gov. This will ensure that your responses and submissions are received and processed in a timely manner.



The Importance of Board Meeting Attendance in a Time of Rapid Technological Change

Critical to the long-term success of a credit union is an active, involved board that provides proper oversight of operations and a sound strategic direction for the future of the credit union. One of the keys to ensuring that a board is successful is regular, participatory attendance. This is particularly true given the rapid pace of technological change and the need for partnerships with financial technology companies ("Fintechs") to provide services wanted by your members. Management and the board must ensure that potential Fintech partnerships are discussed, appropriate due diligence performed (especially related to data security), and that the Fintechs chosen are a good fit for the credit union and the membership. Board involvement is important in Fintech selection and other important strategic decisions affecting your credit union.

The issue of board attendance is a tricky one. Board members are volunteers with their own jobs, families, and busy lives to balance in addition to the voluntary obligations of serving on a credit union board. However, missed meetings seriously diminish the effectiveness of the entire board, and a director's irregular or inconsistent meeting attendance could result in removal from the board.

The Importance of Board Meeting Attendance in a Time of Rapid Technological Change (Continued)

Texas Finance Code Section 122.055 provides that the office of a director becomes vacant if the director has been absent from more meetings than the total number of absences permitted by commission rule. Under 7 TAC Section 91.501 (g), any director who fails to attend three consecutive regularly scheduled meetings without an excuse approved by a majority vote of the board is automatically removed from office. As a result, it is important for board meeting minutes to reflect if a director's absence is excused or unexcused. The lack of a record of an affirmative vote by the board is construed as an unexcused absence. Furthermore, 7 TAC Section 91.501 (g) also states that any director who fails to attend six regularly scheduled meetings during any twelve-month period (whether the absences are excused or not) is automatically removed from office.

Once a director misses either of the prescribed number of meetings, the position is vacant and there is nothing the board can do except to fill the vacancy with a new person within sixty days of the date of the meeting that led to the automatic removal.



Publication Deadlines

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> |
|--------------------------------|------------------------------------|
| July 2024 | Friday, July 12 |
| August 2024 | Friday, August 16 |



Applications Approved

Applications approved since May 15, 2024.

| <u>Credit Union</u> | <u>Changes or Groups Added</u> |
|--|---|
| <u>Field of Membership - Approved</u> | |
| Community Service Credit Union (Huntsville) | <u>See Newsletter No. 03-24</u> |
| Telco Plus Credit Union #1 (Longview) | <u>See Newsletter No. 04-24</u> |
| Telco Plus Credit Union #2 (Longview) | <u>See Newsletter No. 04-24</u> |
| Telco Plus Credit Union #3 (Longview) | <u>See Newsletter No. 04-24</u> |

Applications Approved (Continued)

Articles of Incorporation - Approved

An application was received from **PosTel Family Credit Union** (Wichita Falls) to amend its Articles of Incorporation relating to Place of Business. [See Newsletter No. 05-24](#)

An application was received from **Hockley County School Employees Credit Union** (Levelland) to amend its Articles of Incorporation relating to name change. [See Newsletter No. 05-24](#)

Applications Received

The following applications were received and will be published in the **June 28, 2024**, issue of the *Texas Register*.

Field of Membership

Cabot Community CU (Pampa) – Persons who live, work, worship, or attend school in, businesses and other legal entities located in Carson County, Texas.

Merger or Consolidation

An application was received from **RelyOn Credit Union** (Kaufman), seeking approval to merge with **Neighborhood Credit Union** (Dallas), with the latter being the surviving credit union.

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## *Upcoming Holiday Schedule for CUD*

The Department's Office will be closed on **Thursday, July 4<sup>th</sup>** in observance of Independence Day and all-day **Friday, July 5<sup>th</sup>**.

*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

