



Newsletter

No. 9-24



September 18, 2024



Credit Union Department
914 East Anderson Lane
Austin, Texas 78752

Phone: 512-837-9236

Fax: 512-832-0278

Email: cudmail@tud.texas.gov

Web Site: www.tud.texas.gov

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

Protect Your Members From Mail Fraud

The Financial Crimes Enforcement Network (FinCEN) just released their analysis of check fraud related to mail theft. Your customer service leadership should review this report. It can be accessed at: <https://link.zixcentral.com/u/b40190a9/uA1xd7pu7xG7C48Yh3soMg?u=https%3A%2F%2Fwww.fincen.gov%2Fsites%2Fdefault%2Ffiles%2Fshared%2FFTA-Check-Fraud-FINAL508.pdf>.

In approximately six months 15,417 reports associated with more than \$688 million in check fraud transactions were filed. Credit Unions filed only 882 reports in this period. This report details the various forms of fraud related to check theft including alteration, counterfeiting and unauthorized signatures.

While U.S. Postal Services are not compromised in all these situations, many times they are. They have issued a report on crime prevention measures at <https://about.usps.com/newsroom/national-releases/2023/0512-usps-postal-inspection-service-roll-out-expanded-measures-to-crack-down-on-mail-theft.htm>. This article includes good advice on how individuals can prevent check or mail related fraud and report fraud at www.uspis.gov/report.

FinCEN is an important data gathering and analysis tool, utilized to prevent losses to members and institutions from fraud. An important component of compliance and success is assuring the credit union makes appropriate filings. Periodically Credit Unions should review their processes, staff education and resources to ensure suspicious activity reports are filed in fraud situations.



Early-Stage Delinquency
(As of June 30, 2024)

After several years of economic pressures, some Texas chartered credit unions are experiencing notable increases in past due loans and charge-offs. Over the last eighteen months, the reportable delinquent loan ratio for all Texas charters has risen from 0.61 to 0.84 percent, an increase of approximately 38 percent. During the same timeframe, the Rolling 12 Monthly Net Charge-Offs/Average Loans Ratio (NCO Ratio) has increased from 0.37 to 0.72 percent, an increase of approximately 95 percent. The trend in these categories for our federal counterparts in Texas has been similar with their reportable delinquency ratio rising from 0.62 to 0.89 percent; and their NCO Ratio increasing from 0.32 to 0.61 percent.

Credit unions are reminded that early stage (30 to 59 days past due) can be an early indicator for upcoming trends with reportable delinquencies and loan losses. Further, increases in early-stage delinquencies can result in higher loan losses which can impact the financial strength and integrity of a credit union. Thus, credit union management is encouraged to provide its board members with monthly trend reports for past due loans in the early-stage categories (e.g., 30 to 59 days, etc.) and engage in regular discussions of collection activities and trends for these loans at monthly board meetings. Such monitoring and discussions are essential to control and manage credit risk tolerance levels.



Texas Credit Union Data
(As of June 30, 2024)

Q2 2024 Dual Charter System Update	State-Chartered CUs	Federally Chartered CUs	Total	% of State-Chartered CUs
Credit Unions	165	235	400	41%
Members	4.0 M	6.5 M	10.5 M	38%
Assets	\$58.49 B	\$98.89 B	\$157.38 B	37%



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>
October 2024	Friday, October 11
November 2024	Friday, November 15



Applications Approved

Applications approved since August 21, 2024.

Credit Union

Changes or Groups Added

Articles of Incorporation – Approved:

An application was received from **Texell Credit Union** (Temple) to amend its Articles of Incorporation relating to Place of Business. [See Newsletter No. 08-24](#)



Applications Received

The following applications were received and will be published in the **September 27, 2024**, issue of the *Texas Register*.

Field of Membership:

Community Resource CU #1 (Baytown) – Persons who work, resides, worship or attend school, and businesses located within the boundaries of Montgomery County, Texas, to be eligible for membership in the credit union.

Community Resource CU #2 (Baytown) – Persons who work, reside, worship, or attend school, and businesses located within the 10-mile radius of the Community Resource Credit Union offices located at 21856 Market Place Drive, Ste. 900, New Caney, Texas, to be eligible for membership in the credit union.

Merger or Consolidation:

An application was received from **Texas Telcom Credit Union** (Dallas), seeking approval to merge with **America's Credit Union** (Garland), with the latter being the surviving credit union.

An application was received from **Family 1st Federal Credit Union** (Fort Worth), seeking approval to merge with **Texas Trust Credit Union** (Mansfield), with the latter being the surviving credit union.



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.

~~~~~

To learn more about CUD click <http://www.cud.texas.gov> or contact us at 914 E. Anderson Lane, Austin, TX 78752

