



# Newsletter

No. 01-25



January 15, 2025



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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.*

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## 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, March 21, 2025, beginning at 9:00 a.m. in the offices of CUD.*

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## **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 problems and risks associated with partnering with the wrong third party, and the numerous data breaches, fraud, and cybersecurity incidents that occur each year.

A [link](#) to the Credit Union Department Bulletin RB 2018-01 provides guidance on managing third party risk. Additional due diligence guidance is provided in "Conducting Due Diligence on Financial Technology Companies", a guide issued jointly by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency (OCC), <https://www.occ.gov/news-issuances/news-releases/2021/nria-2021-85a.pdf>. A [link](#) to the summary OCC Bulletin is also provided.

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**

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><b>Publication Date</b></u>	<u><b>Application Deadline</b></u>
February 2025	Friday, February 14
March 2025	Friday, March 14



## **Applications Approved**

There were no applications approved.

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## **Applications Received**

The following applications were received and will be published in the **January 24, 2025**, issue of the *Texas Register*.

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### **Field of Membership**

**1<sup>st</sup> University CU #1** (Waco) – Persons who live, worship, work, or attend School and businesses and other legal entities in Bosque County, Texas, to be eligible for membership in the credit union.

**1<sup>st</sup> University CU #2** (Waco) – Persons who live, worship, work, or attend School and businesses and other legal entities in Erath County, Texas, to be eligible for membership in the credit union.

**1<sup>st</sup> University CU #2** (Waco) – Persons who live, worship, work, or attend School and businesses and other legal entities in McLennan County, Texas, to be eligible for membership in the credit union.

### **Merger or Consolidation**

An application was received from **Space City Credit Union** (Houston), seeking approval to merge with **Texas Dow Employees Credit Union** (Lake Jackson), with the latter being the surviving credit union.



## **Upcoming Holiday Schedule for CUD**

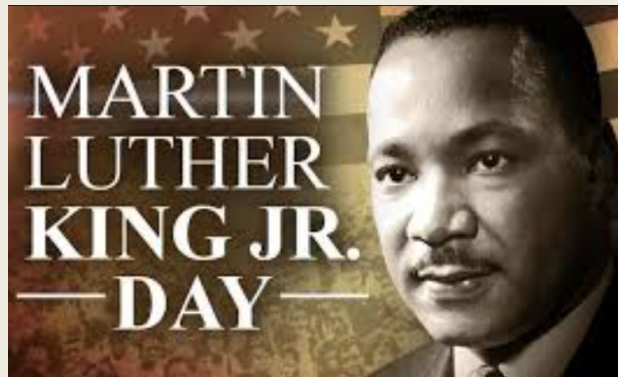
The Department's office will be closed on **January 20, 2025**, in observance of Martin Luther King Jr., Day and **February 17, 2025**, in observance of President's Day.

*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



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