

**CREDIT UNION COMMISSION RULES COMMITTEE  
MEETING MINUTES  
Credit Union Department Building  
914 East Anderson Lane, Austin, Texas**

**MARCH 20, 2025**

**A. CALL TO ORDER** – Chair Liz Bayless called the meeting to order at 10:02 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. Another member present included David Shurtz. Becky Ames was absent due to a scheduling conflict. Ex-Officio Jim Minge was in attendance via videoconference. Staff members in attendance were Michael S. Riepen, Commissioner, Robert W. Etheridge, Deputy Commissioner, Karen Miller, General Counsel who will serve as legal counsel for the Committee at this meeting, Joel Arevalo, Director of Information and Technology and Brenda Medina, Executive Assistant. Chair Bayless appointed Isabel Velasquez as recording secretary. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (**March 7, 2025, TRD#2025001360**).

**❖ INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION**

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

**B. RECEIVE MINUTES OF PREVIOUS MEETING (July 18, 2024)**

Mr. Shurtz moved to approve the minutes of July 18, 2024, as presented. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

## C. RULEMAKING MATTERS

(a) **Discussion, Consideration and Possible Vote to Recommend the Commission Take Action on the Completed Rule Review of 7 TAC, Part 6, Chapter 97, Subchapter A (General Provisions), Subchapter B (Fees), Subchapter C (Department Operations), Subchapter D (Gifts and Bequests), Subchapter E (Advisory Committees), and Subchapter F (Rulemaking) and Re-adoption of Rules.** Commissioner Riepen explained that Section 2001.039, Government Code, requires that a state agency review and consider for readoption each rule not later than the fourth anniversary of the date on which the rule took effect and every four years after that date. As provided in the noted section, the reviews must include, at a minimum, an assessment by the agency as to whether the reason for adopting the rules continues to exist. Staff have reviewed 7 TAC, Part 6, Chapter 97, Subchapters A through F and believe certain revisions are appropriate and necessary. Amendments to the noted Subchapter B (Fees) are being separately presented for proposal. Notice of the review and a request for comments on the rules in this chapter was published in the February 28, 2025, issue of the *Texas Register*. No comments were received regarding the review.

As a result of the rule review, the Committee finds that the reasons for initially adopting the Rules in **7 TAC, Part 6, Chapter 97, Subchapters A through F** continue to exist, and readopting these subchapters in accordance with the requirements of the Texas Government Code, Section 2001.039.

After a short discussion among the committee members, Mr. Shurtz made a motion to recommend that the Commission find the reasons for adopting the completed rule review of **7 TAC, Part 6, Subchapters A (General Provisions), Subchapter B (Fees), Subchapter C (Department Operations), Subchapter D (Gifts and Bequests), Subchapter E (Advisory Committees), and Subchapter F (Rulemaking)** continue to exist and that the Commission readopt the rules in this

chapter. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

**(b) Discussion, Consideration and Possible Vote to Recommend that the Commission Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Part 6, Chapter 97, Subchapter A, Section 97.107 Concerning Related Entities.** General Counsel Karen Miller informed the Committee that it had been determined that no action is needed on this item.

**(c) Discussion, Consideration and Possible Vote to Recommend that the Commission Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Part 6, Chapter 97, Subchapter B, Section 97.113 Concerning Fees and Charges.** Commissioner Riepen redirected this item of the agenda to General Counsel Karen Miller. Ms. Miller reported that the proposed amendments to Section 97.113 would better organize the fees section, allow adjustments based on the budget for both semiannual assessments instead of only the second assessment and add the ability to recover direct contractual obligations related to expenditures paid to third parties. Lastly, we are requesting a rule to charge user-based fees, subject to Commission approval. Ms. Miller explained the different sections of the fees outlined in the rule are grouped together in the amendments such as operating fees, foreign credit unions, contract services and user fee. Furthermore, the rule change would allow an additional tool during the annual budgeting process should the Department anticipate expenditures in excess of normal operating fee assessments. Fees could be considered as an alternative to an operating fee increase to be paid by all credit unions. And lastly, any proposed user fees would require official Commission approval, prior notice and review at least every two years.

- David Shurtz, committee member, went through a list of suggested edits to the proposed rule changes. These were discussed and some adopted.

Chair Bayless opened the floor to the public for discussion.

- **Melodie Durst, Executive Director, Credit Union Coalition of Texas,** offered her appreciation for the opportunity to ask a couple of questions and offer some feedback. Mrs. Durst thanked Commissioner Riepen, Karen and Robert for sitting down a few weeks ago and going over some ideas that they had at that time. Mrs. Durst reported that in speaking to their membership of the ideas that were originally proposed there was some strong conversation about those proposals, particularly when it comes to user fees. Mrs. Durst referred to the meeting packet saying that she now realizes that the Department is not recommending any fees at this time. However, it appears to be an item for potential conversation. When it comes to complaints specifically, there were a few conversations about the increase in the number of complaints. The question to Mrs. Durst was raised about whether her suggestion was to consider striking the user fee provision, and if so, what were her suggestions or recommendations? Mrs. Durst responded to postponing it and have a conversation about it. She did not feel there's sufficient information here to really explain what the user fees are for and whether charging for complaints was a resolution. Mrs. Durst reminded us that the Governor is asking state agencies to take a closer look at what they're spending, their fees, burdens on the businesses that they regulate, etc. A few things to think about as you go through this process and look at the proposals again, the commission might consider exploring cost reductions before implementing new fees.
  
- **Jim Minge, Commission Chairman,** made one comment back to Mrs. Durst's comments that hit a nerve with him. Mr. Minge stated that he has been a credit union person for a long time, and he had never talked to anybody in Texas who thought that we had not been conservative with our spending, and Texas credit unions pay 100% of the fees that operate this

Department. Mr. Minge believes we have been very conservative in how we fund the operations of this Department, and we do not have waste in Department. He believes the Department is extremely lean, if anything maybe too lean and we've run that way forever. It is appreciated that the Department does that because it's our members' money that funds this Department.

- **Melodie Durst, Executive Director, Credit Union Coalition of Texas,** apologized to Chair Minge if her comments were not delivered as plainly as she could have delivered them. She understands that credit unions pay 100% of the fees that operate this Department, and the Department has operated very lean over many years of involvement. But the reality is that sometimes we just need to take another look at things. Perhaps we need to add staff in the complaint division. Technology is important and we wholeheartedly support adequate funding of this Department, we always have.

After a lengthy discussion, the Chair called a recess from 11:48 a.m. to 12:05 p.m., to allow staff time to make recommended changes to the rule for the Commission to approve for publication and comment in the *Texas Register*.

Mr. Shurtz moved that the Committee recommend that the Commission approve for publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 97, Subchapter B, Section 97.113 concerning Fees and Charges. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

**(d) Discussion, Consideration and Possible Vote to Recommend that the Commission Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Part 6, Chapter 91, Subchapter A, Section 91.101 Concerning Definitions and Interpretations.** Commissioner Riepen reported

that this amendment replaces the phrase “political jurisdiction” with “political subdivision”. It also adds a definition for political subdivision. This is necessary to avoid confusion about unifying characteristics and provide consistency with other provisions in the rules referencing “political subdivision”.

After a short discussion, Mr. Shurtz moved that the Committee recommend that the Commission approve for publication and comment on the proposed amendments to **7 TAC, Part 6, Chapter 91, Subchapter A, Section 91.101 concerning Definitions and Interpretations**. Mrs. Bayless 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 12:17 p.m.

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David F. Shurtz  
Chairman

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Isabel Velasquez  
Recording Secretary

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