

Categories of Violations for Potential Enforcement Actions	TX Fin. Code (TFC) --TX Admin. (TAC)	Category	Std. Penalty	Statute Language	Additional Considerations
Operating Fee Late Payment	TFC § 15.4044 7 TAC §97.113	Late Fee	10% of the amount due for each 30 day period fee is late. (31 days late is 10%, 61 days late is 20%)	(1) Each credit union authorized to do business under the Act shall remit to the department an annual operating fee. The fee shall be paid in semi-annual installments, billed effective September 1 and March 1 of each year. The final installment may be adjusted as provided by subsection (d) of this section. Installments received after September 30 or March 30 of each year will be subject to a monthly 10% late fee unless waived by the commissioner for good cause.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.
Credit Union Conversion Fee	7 TAC §97.113(g)(3)	Late Fee	10% of the amount due for each 30 day period fee is late. (31 days late is 10%, 61 days late is 20%)	(3) Any fee received more than 30 days after the issuance of a charter will be subject to a monthly 10% late fee unless waived by the commissioner for good cause.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.

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Late Filing of Quarterly Call Report	TFC § 122.101 7 TAC §91.209(a)	Late Fee	\$100 for each day or fraction of a day in arrears.	Each credit union shall prepare and submit, in a manner prescribed by the commissioner, a quarterly financial and statistical report. Unless the commissioner orders otherwise, call reports (Form 5300) timely filed with the National Credit Union Administration will comply with the reporting requirements of this subsection. If a credit union fails to file the quarterly report on time, the commissioner may charge the credit union a penalty of \$100 for each day or fraction of a day the report is in arrears.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider wheather or not NCUA has assessed a penalty for the same late filing or adjusted pursuant to §91.209(f), the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.
False or misleading information on Call Report.	TFC § 122.254 7 TAC §91.209	Criminal Penalty	Third Degree Felony	(b) Any credit union that makes, files, or submits a false or misleading financial and statistical report required by subsection (a) of this section (call report), is subject to an enforcement action pursuant to the Finance Code, Chapter 122, Subchapter F.	It does not appear the Commissioner can waive a criminal penalty.

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False answer or entry on Statement or Record in connection with exam or investigation	TFC § 122.254	Criminal Penalty	Third Degree Felony	(a) A person commits an offense if the person, knowingly and with the intent to deceive:(1) makes a false entry on a record, report, or statement of a credit union; or (2) in connection with an examination or investigation of a credit union by the commissioner, a deputy commissioner, or the department's authorized examiner, exhibits a false paper, instrument, or security or gives under oath a false answer to a question directly related to the examination or investigation asked the person by the commissioner, the deputy commissioner, or the department's authorized examiner.	Waiver Not Applicable
Destruction of credit union record to conceal a fact from department	TFC § 122.254	Criminal Penalty	Third Degree Felony	(b) A person commits an offense if the person knowingly removes, destroys, or conceals a record of the credit union for the purpose of concealing a fact or information from the commissioner, a deputy commissioner, or the department's authorized examiner.	Waiver Not Applicable

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Late filing of supplemental report required by deaprtment.	7 TAC §91.209(c )	Late Fee	\$50.00 a day	(c) A credit union shall prepare and forward to the Department any supplemental report or other document that the Commissioner may, from time to time require, and must comply with all instructions relating to completing and submitting the supplemental report or document. For the purposes of this section, the Commissioner's request may be directed to all credit unions or to a group of credit unions affected by the same or similar issue, shall be in writing, and must specifically advise the credit union that the provisions of this section apply to the request. If a credit union fails to file a supplemental report or provide a requested document within the timeframe specified in the instruction, after notice of non-receipt, the commissioner may levy a penalty of \$50 for each day or fraction of a day such report or document is in arrears.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.

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Failure to file a report or information requested by the Department	7 TAC §91.209(d) 7 TAC §97.113 (e)	Examination Fee	\$50.00 per hour examination time	(d) If a credit union fails to file any report or provide the requested information within the specified time, the commissioner, or any person designated by the commissioner, may examine the books, accounts, and records of the credit union, prepare the report or gather the information, and charge the credit union a supplemental examination fee as prescribed in §97.113 of this title (relating to Fees and Charges). The credit union shall pay the fee to the department within thirty days of the assessment.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.
Defamation	TFC § 122.251	Criminal Penalty	Third Degree Felony	If a person knowingly makes or circulates a false statement that is derogatory to the financial condition of a credit union with an intent to injure the credit union	Waiver Not Applicable
Consideration for a Loan, Investment or Purchase	TFC § 122.252	Criminal Penalty	Class A Misdemeanor	If a director, committee member, officer or employee of a credit union and knowingly demands or receives consideration for credit union's making a specific loan or investment or purchasing an asset.	Waiver Not Applicable
Loan to a Nonmember	TFC § 122.253	Criminal Penalty	Class B misdemeanor; person will be primarily liable to the credit union for the amount illegally loaned	If a director, honorary director, advisory director, committee member, officer or employee of a credit union and knowingly permits a loan to be made to a nonmember or participates in a loan to a nonmember	Waiver Not Applicable

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Misconduct	TFC § 122.255	Order	Cease and Desist Order; Removal Order; Order of Prohibition	The commissioner may determine that an officer, director, honorary director, advisory director, or employee of a credit union, or the credit union itself, acting by and through an officer, director, honorary director, advisory director, or employee, has:(1)violated this subtitle, a rule adopted under this subtitle, or another law applicable to a credit union;(2)violated or refused to comply with a final order of the commissioner or commission;(3)wilfully neglected to perform an official or legal duty or wilfully committed a breach of trust or fiduciary duty;(4)committed a fraudulent or questionable practice in the conduct of the credit union’s business that endangers the credit union’s reputation or threatens its solvency;(5)refused to submit to examination under oath or to permit examination of the credit union’s records and affairs by the commissioner or the commissioner’s representative;(6)failed or refused to authorize and direct another person to permit the commissioner or the commissioner’s representative to examine the credit union’s records in the other person’s custody after the commissioner has requested the authorization of and direction to the other person;(7)conducted the credit union’s business in an unsafe, unauthorized, or unlawful manner;(8)concealed, destroyed, removed, or falsified a record related to the credit union’s business and affairs;(9)transacted business while the credit union was in an unsafe or unsound condition;(10)violated a condition of the credit union’s articles of incorporation or of a written agreement with the commissioner or the commission; or(11)committed a criminal act that is a substantial detriment to the reputation and conduct of the credit union’s business.	Waiver Not Applicable

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Failure to comply with order related to misconduct	TFC 122.260	Administrative Penalty	not less than \$100 or more than \$10,000 for each day in violation of the order	If a credit union or other person designated in a final order under this subchapter does not comply with the order, the commissioner, after giving notice, may assess an administrative penalty against the credit union, the designated person, or both, in an amount of not less than \$100 or more than \$10,000 each for each day of the violation of the order.	In determining the amount of the penalty or waiver of the penalty, the commissioner shall consider the seriousness of the violation, the credit union's history of violations, the affect of the fee on the financial condition of the credit union, other extenuating conditions affecting key staff of the credit union and the credit union's good faith attempt to comply with this provisions.

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Failure to pay penalty assessed related to misconduct	TFC 122.260 (c ) and (d)	Injunction and attorney fees.	Costs and attorney fees	(c)The commissioner may bring suit for injunction or to collect the administrative penalty in a district court of Travis County. In the suit, a certificate by the commissioner showing a failure to pay an administrative penalty is prima facie evidence of: the imposition of the penalty or the delinquency of the stated penalty amount; and compliance by the department with the law relating to the computation and imposition of the penalty. (d)The attorney general is entitled to recover reasonable attorney’s fees from the credit union or the designated person, or both, if the attorney general prevails in a judicial action necessary for collection of the administrative penalty.	Waiver Not Applicable



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Cease and Desist related to other statutes	TFC 122.2575	Administrative Orders	Cease and Desist Order; Removal Order; Order of Prohibition	If it appears to the commissioner that a person who is not authorized to engage in business under this subtitle or the Federal Credit Union Act (12 U.S.C. Section 1751 et seq.) is violating this subtitle, a rule adopted under this subtitle, or another state statute or rule relating to the regulation of credit unions, the commissioner may issue without notice and hearing an order to cease and desist from continuing a particular action to enforce compliance with the applicable state statute or rule relating to the regulation of credit unions. The order must contain a reasonably detailed statement of the fact on which the order is made.	Waiver Not Applicable