



CREDIT UNION COMMISSION MEETING

*Credit Union Department Building
914 East Anderson Lane
Austin, Texas 78752*

**Tuesday, September 16, 2025
9:00 a.m.**

*** * * AGENDA * * ***

This meeting of the Texas Credit Union Commission will be held at the Credit Union Department Building at 914 E. Anderson Ln., Austin, Texas 78752 and is open to the public. Only onsite testimony will be allowed; however, the meeting will be transmitted live through a link on the Department's webpage at www.cud.texas.gov on the day of the meeting, September 16, 2025 at 9:00 a.m.

An electronic copy of the agenda is now available at www.cud.texas.gov under Credit Union Commission Meetings, along with a copy of the meeting materials. A recording of the meeting will be available after September 19, 2025. To obtain a recording, please contact Joel Arevalo at 512-837-9236.

Public comment on any agenda item or issue under the jurisdiction of the Credit Union Commission is allowed. Unless authorized by a majority vote of the meeting quorum, the comments of any person wishing to address the Commission will be limited to no more than ten (10) minutes.

The Commission may discuss and/or take action regarding any item on this agenda.

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A.	Call to Order (9:00 p.m.) –Chair, Jim Minge (1) Ascertain Quorum (2) Appoint Recording Secretary (3) Invitation for Public Input (4) Acknowledge Guests	4
B.	Approve Minutes of the July 18, 2025, Credit Union Department Commission Meeting	6
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Adjournment

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Executive Session: The Credit Union Commission may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

Meeting Recess: In the event the Commission does not finish deliberation of an item on the first day for which it was posted, the Committee might recess the meeting until the following day at the time and place announced at the time of recess.

Meeting Accessibility: Under the Americans with Disabilities Act, the Texas Credit Union Commission will accommodate special needs. Those requesting auxiliary aid or services should notify Joel Arevalo, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752, (512) 837-9236, as far in advance of the meeting as possible.

A

CALL TO ORDER

TEXAS CREDIT UNION COMMISSION MEMBERS

- *Jim Minge, Chair*
- *Becky L. Ames, Vice Chair*
- *David Bleazard*
- *Karyn C. Brownlee*
- *Beckie Stockstill Cobb*
- *Cody R. Huggins*
- *Sara Jones Oates*
- *David F. Shurtz*
- *Kay Rankin Swan*

Legal Counsel

- *Unknown (AG's Office)*

Staff

- *Michael S. Riepen*
- *Joel Arevalo*
- *Isabel Velasquez*

B

CREDIT UNION COMMISSION MEETING MINUTES

Draft copies of the minutes of July 18, 2025, meeting are located under **Tab B**.

RECOMMENDED ACTION: The Department requests that the Commission approve the minutes as presented.

RECOMMENDED MOTION: I move that the minutes of the Commission's regular meeting of July 18, 2025, be approved as presented.

CREDIT UNION COMMISSION MEETING MINUTES

Credit Union Department Building
914 East Anderson Lane, Austin, Texas
July 18, 2025

A. CALL TO ORDER -- Chair Jim Minge called the meeting to order at 9:01 a.m. in the conference room of the Credit Union Department Building, Austin, Texas, pursuant to Chapter 551 of the Texas Government Code, and declared that a quorum was present. Other members present included Liz Bayless, Karyn Brownlee, Beckie Stockstill Cobb, Cody Huggins, David Bleazard and Kay Rankin-Swan. Vice Chair David Shurtz was in attendance via videoconference. The Chair introduced new Commission member Sarah Jones Oates, and also announced that Karen L. Miller, General Counsel for the Department, will serve as legal counsel for the commission. Representing the Department staff were Commissioner Michael S. Riepen, Deputy Commissioner Robert W. Etheridge, Director of Information and Technology Joel Arevalo, and Executive Assistant Brenda Medina. Chair Minge appointed Brenda Medina as Recording Secretary. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (July 7, 2025 TRD#2025003875).

❖ **GENERAL PUBLIC COMMENT** -- Chair Minge invited public input on matters that were not scheduled items on the agenda for possible future consideration by the Commission. No public comments were received.

B. MINUTES OF PREVIOUS MEETINGS (March 21, 2025) -- The Chair referred the members to the draft minutes of the previous meetings included in the agenda packet and asked for any proposed edits. Hearing none, the Chair asked for a motion to approve the minutes. Mrs. Brownlee moved for approval of the minutes of March 21, 2025 meeting, as presented. Mrs. Ames seconded the motion, and the Commission carried the motion unanimously.

C. AUDIT COMMITTEE REPORT

C. (1) DISCUSSION OF THE FY 2025 INTERNAL AUDIT REPORT AND POSSIBLE VOTE THAT THE COMMISSION ACCEPT THE REPORT AND AUTHORIZE ITS SUBMISSION TO THE STATE AUDITOR'S OFFICE. Chair Cobb gave the Commission the report on the Audit Committee's activities. Dan Graves with Weaver Tidwell gave an update on the findings in the Internal Audit Report. 9:15 a.m. – Chair Cobb made a motion that the Commission accept the FY 2025 Internal Audit Report and authorize its submission to the State Auditor' Office. No second was required and the Commission carried the motion unanimously.

C. (2) DISCUSSION OF AND POSSIBLE VOTE TO TAKE ACTION ON THE FY 2026 INTERNAL AUDIT PLAN. After a short discussion, Chair Cobb moved that the Commission accept the FY 2026 Internal Audit Plan. No second was required and the Commission carried the motion unanimously.

D. COMMISSIONER EVALUATION COMMITTEE REPORT

Chair Brownlee gave the Commission her report on the Commissioner Evaluation/Search Committee's activities. On June 30 and again on July 17, 2025, in public meetings, the Commissioner Evaluation Committee continued its work on the Credit Union Department Hiring Plan & Selection Process for the role of Commissioner, due to the planned, pending resignation of our current Commissioner, Mike Riepen.

The Committee targeted nine websites for posting the opening for Credit Union Commissioner. Of those, six were successfully utilized. For various and valid

reasons, three of our target websites denied the request to post. However, our six successes resulted in the receipt of a favorable number of applications. The Committee met in executive sessions during both our June and July meetings. All applicants were considered. The Committee determined five applicants meet the basic qualifications. Our Committee would like to discuss our current candidate pool further in an Executive Session.

Additionally, the Committee voted yesterday to request the Commission's approval of up to \$90K for use of a search firm if the Committee deems it is necessary after its further evaluation of the existing five qualified candidates over the next month. And, if the committee does feel it is necessary, then we request official authorization from the Commission to be able to enter a contract with a Search Firm on behalf of the Commission to expedite the hiring process.

The Commission entered into Executive Session at 9:18 a.m. The Chair reconvened the meeting at 10:20 a.m. Chair Brownlee moved that the Commission approve up to \$90K for use of a search firm if the Committee deems it is necessary after its further evaluation of the existing five qualified candidates over the next month. And, if the committee does feel it is necessary, then we request official authorization from the Commission to be able to enter a contract with a search firm on behalf of the Commission to expedite the hiring process.. No second was required and the Commission carried the motion unanimously.

E. DISCUSSION, CONSIDERATION AND POSSIBLE VOTE ON RECOMMENDED CHANGES TO THE COMMISSION'S POLICY MANUAL RELATED TO THE BUDGET AND RESERVES POLICIES.

Commissioner Riepen discussed the recommended changes that focus on providing the most operating flexibility and accountability for the use of funds that are

available. Mrs. Ames moved that the Commission approve the recommended changes to the Commission's policy manual related to the budget and reserves policies as recommended. Mr. Bleazard seconded the motion, and the motion was unanimously adopted.

F. RULEMAKING MATTERS

Mrs. Ames gave the Commission the report on the Rules Committee activities.

F. (1) ADOPTION, IN PART, OF PROPOSED AMENDMENTS TO 7 TAC, PART 6, CHAPTER 97, SUBCHAPTER B, SECTION 97.113 (FEES AND CHARGES) – Mrs. Ames moved that the Commission approve the publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 97, Subchapter B, Section 97.113 (Fees and Charges). Coming upon a recommendation from the Rules Committee, no second was required and the Commission carried the motion unanimously.

F. (2) ADOPTION OF PROPOSED AMENDMENTS TO 7 TAC, PART 6, CHAPTER 91, SUBCHAPTER A, SECTION 91.101 (DEFINITIONS AND INTERPRETATIONS) – Mrs. Ames moved that the Commission approve the publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 91, Subchapter A, Section 91.101 (Definitions and Interpretations). Coming upon a recommendation from the Rules Committee, a Standing Committee of the Commission, , no second was required and the Commission carried the motion unanimously.

F. (3) ADOPTION OF THE RULE REVIEW OF 7 TAC, PART 6, CHAPTER 91, SUBCHAPTER A (GENERAL PROVISIONS), SUBCHAPTER B (ORGANIZATION PROCEDURES), SUBCHAPTER J (CHANGES IN CORPORATE STATUS), AND SUBCHAPTER L

(SUBMISSION OF COMMENTS BY INTERESTED PARTIES), AND READOPTION OF RULES. – General Counsel Karen Miller reported

Mrs. Ames moved that the Commission approve the publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 91, Subchapter A (General Provisions), Subchapter B (Organization Procedures), Subchapter J (Changes in Corporate Status), and Subchapter L (Submission of Comments by Interested Parties, and Readoption of Rules. Coming upon a recommendation from the Rules Committee, a Standing Committee of the Commission, no second was required and the Commission carried the motion unanimously.

F. (4) RECOMMENDATION FOR PROPOSED AMENDMENTS TO 7 TAC, PART 6, CHAPTER 91, SUBCHAPTER A, SECTION 91.125 (GENERAL RULES). – General Counsel Karen Miller reported

Mrs. Ames moved that the Commission approve the publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 91, Subchapter A, Section 91.125 (General Rules). Coming upon a recommendation from the Rules Committee, a Standing Committee of the Commission, no second is needed to consider and vote on the issue. Coming upon a recommendation from the Rules Committee, a Standing Committee of the Commission, , no second was required and the Commission carried the motion unanimously.

F. (5) RECOMMENDATION FOR PROPOSED AMENDMENTS TO 7 TAC, PART 6, CHAPTER 91, SUBCHAPTER J, SECTION 91.1003 (MERGERS/CONSOLIDATIONS) – Mrs. Ames moved that the Commission approve the publication and comment on the proposed amendments to 7 TAC, Part 6, Chapter 91, Subchapter J, Section 91.1003 (Mergers/Consolidations), as modified. Coming upon a recommendation from the Rules Committee, a

Standing Committee of the Commission, no second was required and the Commission carried the motion unanimously.

G. DEPARTMENT'S FY 2025 BUDGET AND FINANCIAL PERFORMANCE – Commissioner Riepen reported on this item. After lengthy discussion, the Commission took no action.

H. DEPARTMENT'S OPERATING PLAN FY 2026 BUDGET. Commissioner Riepen reported on the operating plan and FY 2025 budget. Mrs. Brownlee moved that the Commission approve the Department's Operating Plan and FY 2026 Budget, as amended, to include an additional \$90,000 in potential search firm expenditures. Mrs. Ames seconded the motion, and the motion was unanimously adopted.

I. STATUS OF THE STATE CREDIT UNION SYSTEM – Deputy Commissioner Ethridge reported on the status of the state credit union system. After a brief discussion of some of the key financial trends, no formal action was taken by the Commission.

J. CHAIR APPOINTMENTS – Chair Minge reported on the new chair assignments. Mrs. Ames will be the Vice Chair of the Commission and Sara Jones Oates has been assigned to the Rules Committee. No changes were made to the Commissioner Evaluation / Search Committee or to the Audit Committee.

K. Legal Update –

- *Credit Union Department v. Ken Paxton, Attorney General of Texas; Cause No. D-1-GN-21-007168*
- *Cooperative Teachers Credit Union v. Credit Union Department,*

State Office of Administrative Hearings; Docket No. 469-23-07487

- Pending Open Records Request - Merger of Space City Credit Union into Texas Dow Employees Credit Union
- Consumer Complaints Summary

General Counsel Karen Miller reported on the legal update for the department. After lengthy discussion, the Commission took no action.

J. AGENDA ITEMS, ARRANGEMENTS, AND DATES. Chair Minge stated the tentative date for the next meeting would be on Friday, November 7, 2025, at 9:00 a.m.

ADJOURNMENT – There being no further business for the Credit Union Commission, Chair Minge adjourned the meeting at 11:41 a.m.

Jim Minge
Chairman

Brenda Medina
Recording Secretary

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Legislative Reference Library

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C

**CUD HIRING PLAN & SELECTION PROCESS FOR
CREDIT UNION DEPARTMENT COMMISSIONER--
IMPLEMENTATION**

Upon receipt of commissioner's resignation, the Commissioner Succession Plan became operative, and the Commissioner Evaluation Committee (the "Committee") assumed responsibility for the processes associated with choosing the next commissioner. As part of that responsibility, the Committee is charged with serving as the Commission's search committee.

Since January 2025, the Committee has convened four public meetings to carry out its duties.

The first open meeting occurred on March 20, 2025. At this meeting, among other things, the Committee formally implemented the Commissioner Succession Plan and discussed specifics about the hiring process. The Committee also met on June 30, 2025, and July 17, 2025, to review applications received in response to the job posting for the commissioner position. Section 15.302 of the Finance Code requires that the commissioner must have at least five years' practical experience in the operations of credit unions during the ten years preceding the appointment. The required practical experience may consist of experience as a director, officer, or committee member of a credit union or in the employment of a credit union regulatory agency. After review, three applicants that had the necessary practical experience were invited to interview with the Committee.

The Committee's final meeting occurred on August 12, 2025. At this meeting, the Committee interviewed three applicants. Based upon those interviews, the Committee took formal action at this meeting to recommend to the Commission that it interview one candidate for the commissioner position at the Commission's September 16, 2025, meeting. With this recommendation, the Committee believes it has fulfilled its obligations with respect to the Commissioner Succession Plan.

**MATTERS RELATED TO THE SEARCH AND SELECTION OF A NEW
CREDIT UNION COMMISSIONER**

C. (a) Interview finalist for the position of Credit Union Commissioner.

BACKGROUND: On August 12, 2025, in a public meeting, the Commissioner Evaluation Committee met to interview and consider certain applicants for the commissioner position. Based upon those interviews and discussions, the Committee has referred for interview by the full Commission one candidate for possible appointment as the next Credit Union Commissioner.

It is anticipated that pursuant to Section 551.074 of the Government Code, the Commission will close its meeting and go into Executive Session to conduct a formal interview with the candidate recommended by the Committee.

RECOMMENDED ACTION: No formal action may be taken by the Commission during the Executive Session.

**MATTERS RELATED TO THE SEARCH AND SELECTION OF A NEW
CREDIT UNION COMMISSIONER**

C. (b) Potential Selection of a New Credit Union Commissioner.

BACKGROUND: After closing the Executive Session and reconvening in Open Session, the Commission may take action to formally select a candidate to be offered the Credit Union Commissioner position.

Section 15.301 of the Finance Code prescribes that the Commission shall appoint a commissioner by affirmative vote of two-thirds of the membership of the Commission (Six "Ayes").

RECOMMENDED MOTION: I move that _____ be offered the position of Credit Union Commissioner at an annual salary of \$_____.

**MATTERS RELATED TO THE SEARCH AND SELECTION OF A NEW
CREDIT UNION COMMISSIONER**

C. (c) FY 2026 Budget Implications as a Result of the Potential Hiring of a New Commissioner.

BACKGROUND: The resignation of the commissioner and the transition to a new commissioner may impact the Department's budget. Depending on the proposed start date and salary offered to the new Commissioner, the Department's cost may increase. In addition, the Department will need to pay the current commissioner for any accrued leave.

This agenda item provides the Commission with an opportunity to discuss and consider potential adjustments to the FY 2026 Budget.

RECOMMENDED MOTION: I move that we increase the Department's FY 2026 budget in the amount of \$ _____ to reflect the anticipated cost associated with the resignation of the commissioner and the hiring of the new commissioner.

D

**FUTURE CREDIT UNION
COMMISSION MEETING DATES**

Friday, December 5, 2025

Friday, March 20, 2026

Friday, July 17, 2026

All regular scheduled meetings will begin at 9:00 a.m. unless notified differently.

If anyone has conflicts with the proposed dates, please contact Isabel Velasquez at (512) 837-9236.