

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

March 26, 2026

1. CALL TO ORDER – Chairman David Shurtz called the meeting to order at 1:00 p.m. pursuant to Chapter 551 of the Texas Government Code and declared that a quorum was present. Committee members Becky Ames, Sara Jones Oates, and ex-officio member Jim Minge was present. Staff members in attendance were Commissioner Robert W. Etheridge, Interim Deputy Commissioner David C. Borden, General Counsel Devon Bijansky, IT Business Analyst Samuel “Sam” Manzanares, and Executive Assistant Isabel Velasquez. The Chair 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 16, 2026, TRD# 2026001472**).

🚦 INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION – Chair Shurtz invited public input on matters regarding rulemaking for future consideration by the committee. There was none.

2. APPROVE MINUTES OF PREVIOUS MEETING (December 4, 2025)
– Mrs. Ames moved to approve the minutes of the December 4, 2025, meeting as presented. Mrs. Oates seconded the motion, which passed unanimously.

3. RULEMAKING MATTERS: Chair Shurtz announced that the committee would discuss the rules in order but would move consideration of Rule 91.1003 Mergers and Consolidations to the end.

a. 7 TAC Section 91.401, Credit Union Ownership of Property.

These amendments, proposed at the December meeting, would harmonize the definition of “premises” with the National Credit Union Administration’s definition for purposes of the limitation on credit union ownership of property, delete references to terms that were removed from the Rule with the 2015 amendments, and make organizational and other non-substantive changes for improved readability.

There were no comments submitted in response to the proposed amendments.

Mrs. Oates moved that the Committee recommend that the Commission adopt the amendments to **7 TAC Section 91.401** as proposed. Mrs. Ames seconded the motion, which passed unanimously.

b. Recommend Proposal of Rule Amendments to the Commission

- i. Discussion of Rule 91.1003 Mergers and Consolidation
(moved to the last item)**
- ii. 7 TAC Chapter 91, Subchapter G:**

A. 7 TAC Section 91.709, Member Business and Commercial Loans.

These amendments are the result of the Department's rule review process. The amendments clarify the concept of controlling interests in commercial loans and make other non-substantive changes for clarity.

After a short discussion, Mrs. Oates moved that the Committee recommend that the Commission propose the amendments to **7 TAC Section 91.709, Member Business and Commercial Loans**. Mrs. Ames seconded the motion, which passed unanimously.

B. 7 TAC Section 91.714, Leasing.

These amendments include the deletion of language in Subsection (b) about acquisition of property for the purpose of leasing it, which is prohibited by Section 91.401, and addition of a reference to Section 91.401 to ensure consistency between these two sections that relate to ownership and leasing real estate property

After a brief discussion, Mrs. Ames moved that the Committee recommend that the Commission propose the amendments to **7 TAC Section 91.714, Leasing**. Mrs. Oates seconded the motion, which passed unanimously.

iii. 7 TAC Chapter 95, Subchapter A:

A. Section 95.105, Reporting.

B. Section 95.108, Examinations.

C. Section 95.110, Enforcement; Penalty; and Appeal.

These amendments are the result of the Department's rule review process.

The amendments to Sections 95.105, Reporting, and 95.110, Enforcement; Penalty; and Appeal, consist of updates to the titles of other sections referenced in the rules as well as minor edits for readability. The amendments to Section 95.108, Examinations, incorporate provisions from Section 95.109, Fees and Charges, relating to fees for examinations of insuring organizations, which is recommended for repeal at this meeting.

After a short discussion, Mrs. Oates moved that the Committee recommend that the Commission propose the amendments to **7 TAC Sections 95.105, 95.108, and 95.110**. Mrs. Ames seconded the motion, which passed unanimously.

- iv. **7 TAC Chapter 95, Subchapter C:**
 - A. **Section 95.302, Powers.**
 - B. **Section 95.305, Audited Financial Statements; Accounting Procedures; Reports.**
 - C. **Section 95.310, Fees and Charges.**

These amendments are the result of the Department's rule review process. The amendments would make non-substantive corrections to the titles of other rule sections referenced in these rules.

After a brief discussion, Mrs. Ames moved that the Committee recommend that the Commission propose the amendments to **7 TAC Sections 95.302, 95.305, and 95.310**. Mrs. Oates seconded the motion, which passed unanimously.

c. 7 TAC Section 95.109, Fees and Charges.

This repeal is the result of the Department's rule review process. The repeal is recommended in conjunction with the recommendation to add its provisions to Section 95.108, regarding examinations of insuring organizations.

After a short discussion, Mrs. Oates moved that the Committee recommend that the Commission propose the repeal of **7 TAC Section 95.109**. Mrs. Ames seconded the motion, which passed unanimously.

d. Rule Review and Readoption of Rules:

i. 7 TAC Chapter 91, Subchapter G.

ii. 7 TAC Chapter 95, Subchapters A through D.

Section 2001.039 of the Government Code requires state agencies to 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 thereafter. The review must address an assessment of whether the reason for adopting each rule continues to exist. At its March 22, 2024, meeting, the Commission approved a plan that established a schedule for the review of each section of the rules. In accordance with that plan, staff reviewed the above-referenced subchapters, believe the amendments addressed previously in this agenda are appropriate and necessary, and that the remainder of the rules within these subchapters should be readopted in accordance with Section 2001.039 of the Government Code.

Notice of the review and a request for comments on the rules in these subchapters were published on January 23, 2026, issue of the *Texas Register*. No

comments were received regarding the review. The Department believes that the reasons for adopting these rules continue to exist.

After a brief discussion among the Committee members, Mrs. Oates made a motion to recommend that the Commission find that the reasons for adopting the completed rule review of **7 TAC Chapter 91, Subchapter G; and Chapter 95, Subchapter A through D** continue to exist and the Commission readopt the rules. Mrs. Ames seconded the motion, which passed unanimously.


i. 7 TAC, Section 91.1003, Mergers/Consolidations.


Commissioner Etheridge reported that these amendments were developed with input from a working group formed after the December 2025 meeting considering the previously proposed amendments and concerns raised at that meeting. The amendments would prohibit merger inducements and require merger-related financial arrangements (both as defined in the rule) to be disclosed to members. The amendments would also revise certain requirements for approval by the Department, increase consistency between this rule and the NCUA rule, and make non-substantive changes for clarity and readability.

In addition to the proposed amendments in the Rules Committee packet, Commissioner Etheridge also recommended two additional changes under the exclusions included in the definition of merger inducement, by adding 4(G) to read as follows: “merger-related financial arrangements for the Acquiree’s CEO and the four most highly compensated employees other than the CEO”; and 4(H) to read as follows: “benefits to members of the board of directors that are permissible

under 7 TAC, Section §91.502 (relating to Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures).”

Chair Shurtz opened the floor to the public for discussion.

 **David Bleazard, President/CEO – First Service Credit Union.** Mr. Bleazard acknowledged to the Commissioner and to all those involved in the working group how much he appreciated the work that was done on this rule. He expressed that this rule has substantially improved and there were a couple of things that this rule should seek to accomplish. (1) bring to light any and all conditions surrounding a merger or consolidation so that we provide a mechanism for member owners of credit unions to fully understand what is being contemplated, and (2) it is very important that when it comes to disclosures, laying out all the financial arrangements that are being contemplated for members of management should be clear and it should be conspicuous and in plain language and be understood in their entirety. Furthermore, Mr. Bleazard believes this rule substantially complies with any concerns and applauds the work put into it.

 **Steve Gilman – Director of Political and Legislative Affairs - First Service Credit Union.** Mr. Gilman stated that this rulemaking is critical because the credit unions that are state chartered selected this charter for many reasons and there is the option of a federal charter. Mr. Gilman stated that it is very important with mergers to have a democratic process and applauded the transparency with which the Committee has worked. His main concern was that the Commission does not create barriers to

future mergers that could encourage state-chartered credit unions to go to a federal charter.

✚ **Suzanne Yashewski, Regulatory & Compliance Counsel, Cornerstone Credit Union League.** Ms. Yashewski briefly reported that she appreciated the opportunity to participate in the working group that worked on developing this current proposal. Ms. Yashewski agreed with the concerns expressed by others about the state charter being more restrictive than the federal charter. She stated the definition of merger-related financial arrangement is very broad and could include things that are not necessarily related to the merchant. Ms. Yashewski expressed concern about the Department requiring submission of board minutes that could include confidential information and the risk of public information requests that could lead to disclosure of those. She also suggested providing guidance on how merger-related financial arrangement disclosures should look. Last, she indicated that the Cornerstone Credit Union League is supportive of the addition to 4(G) and (H) under definitions.

✚ **Melodie Durst, Executive Director, Credit Union Coalition of Texas.** Ms. Durst stated that the addition of 4(G) and 4(H) would go a long way in addressing some concerns that were raised. Ms. Durst stated that she was very appreciative of the opportunity to serve on the working group.

✚ **Tim Adams, Former CEO of SPCO Credit Union.** Mr. Adams expressed concern about not providing an incentive for people to look at a federal charter versus a state charter. He stated that he wants to be sure that we are

not doing anything that might do any harm to the state-chartered system because it's valuable in the state of Texas. He also stated clear disclosures are the key. Lastly, he expressed not liking the concept of incentivizing members to approve the vote other than it just being a good deal for the membership as opposed to receiving so much money if you vote in favor of the merger which does not make it a good deal.

After a lengthy discussion, Mrs. Oates made a motion to recommend the word "reasonable" be added in front of "merger-related financial..... and that the Commission propose amendments to Section 91.1003 with the revisions recommended by the Commissioner to add a new **4 (G)** to read "**reasonable merger-related financial arrangements for the Acquiree's CEO and the four most highly compensated employees other than the CEO**"; and **4 (H)** to read "**benefits to members of the board of directors that are permissible under 7 TAC, Section 91.502 (relating to Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures).**" Mrs. Ames seconded the motion, which passed.

4. FUTURE COMMITTEE MEETING DATES – Chair Shurtz announced the next meeting of the Committee has been tentatively scheduled for July 16, 2026.

5. There being no further business, Chair Shurtz adjourned the meeting at 2:09 p.m.

David Shurtz
Chair

Isabel Velasquez
Recording Secretary

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