CREDIT UNION COMMISSION
RULES COMMITTEE MEETING

Credit Union Department Office
914 East Anderson Lane
Austin, Texas 78752

Thursday, August 6, 2026
1:00 p.m.

AGENDA

This meeting of the Credit Union Commission's Rules Committee ("Committee") will be held at the Credit Union Department office at 914 East Anderson Lane in Austin, Texas. The meeting is open to the public and will be broadcast live through a link available on the Department website (cud.texas.gov) on the day of the meeting. Public comment on any agenda item or issue within the jurisdiction of the Committee is permitted, but the Committee cannot deliberate or address any item that is not specifically listed on the agenda. Unless authorized by a majority of Committee members present, comments will be limited to ten minutes per person.

The meeting will also be recorded, and a copy of the recording will be available upon request after the meeting.

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

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1. Call to order – Chair David Shurtz — 4
   a. Ascertain quorum
   b. Appoint recording secretary
   c. Acknowledge guests
   d. Invitation for public input

2. Approve minutes of the March 26, 2026, Committee meeting — 5

3. Rulemaking Matters

   a. Recommend to the Commission adoption or other action on amendments to:
      i. 7 TAC Section 91.1003, Mergers/Consolidations — 16
      ii. 7 TAC Chapter 91, Subchapter G: — 28
         A. Section 91.709, Member Business and Commercial Loans
         B. Section 91.714, Leasing
      iii. 7 TAC Chapter 95, Subchapter A: — 32

A. Section 95.105, Reporting
B. Section 95.108, Examinations
C. Section 95.110, Enforcement; Penalty; and Appeal

iv. 7 TAC Chapter 95, Subchapter C: 35
A. Section 95.302, Powers
B. Section 95.305, Audited Financial Statements; Accounting Procedures; Reports
C. Section 95.310, Fees and Charges

b. Recommend that the Commission adopt the repeal of 7 TAC Section 95.109, Fees and Charges 38

c. Recommend to the Commission proposal of amendments to:

i. 7 TAC Chapter 91, Subchapter E: 40
A. Section 91.501, Director Eligibility and Disqualification
B. Section 91.502, Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures

ii. 7 TAC Chapter 91, Subchapter F: 46
A. Section 91.601, Share and Deposit Accounts
B. Section 91.608, Confidentiality of Member Records
C. Section 91.610, Safe Deposit Box Facilities

d. Recommend to the Commission adoption of rule review and readoption of rules in 7 TAC Chapter 91, Subchapters E and F 55

4. Future Committee Meetings – dates, agenda items, and arrangements 57
- Thursday, November 5, 2026
- Thursday, March 4, 2027

5. Adjourn

<u>Note:</u> This is a meeting of the Rules Committee of the Credit Union Commission; however, there may be other members of the Credit Union Commission attending this meeting. As there could be a quorum of the Commission attending this meeting of the Rules Committee, it is also being posted as a meeting of the entire Commission.

<u>Executive Session:</u> The Rules Committee 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 Committee does not finish its meeting on the first day for which it was posted, the Committee may 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 Credit Union Commission will accommodate special needs. Those requesting auxiliary aids or services should notify Biancaja Sugars, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752, telephone (512) 837-9236, as far in advance of the meeting as possible. An individual who is speech- or hearing-impaired may contact Relay Texas for assistance by calling 711.

1. Call to order – Chair David Shurtz
    a. Ascertain quorum
    b. Appoint recording secretary
    c. Acknowledge guests
    d. Invitation for public input

<u>Rules Committee</u>

David Shurtz, Chair

Becky Ames

Sara Jones Oates

Jim Minge, ex-officio

<u>Staff</u>

Robert Etheridge, Commissioner

Devon Bijansky, General Counsel

David Borden, Deputy Commissioner

Isabel Velasquez, Executive Assistant

2. Approve minutes of the March 26, 2026, Committee meeting

Staff recommendation

Approve the minutes as presented

Recommended motion

I move that the minutes of the Committee’s March 26, 2026, meeting be approved as presented.

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

Distribution:

Legislative Reference Library

3. Rulemaking Matters
    a. Recommend to the Commission adoption or other action on amendments to:

        i. 7 TAC Section 91.1003, Mergers/Consolidations

Background

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

Two comments were submitted in support of the amendments as proposed.

Staff recommendation

Recommend that the Commission adopt the amendments as proposed.

Recommended motion

I move that the Committee recommend adoption of the amendments to 7 TAC Section 91.1003 as proposed.

§91.1003, Mergers/Consolidations

The Credit Union Commission adopts amendments to 7 TAC §91.1003, Mergers and Consolidations, without changes to the proposed text as published in the April 10, 2026, issue of the *Texas Register* (51 TexReg 2284), and the rule will not be republished.

The amendments prohibit merger inducements and require merger-related financial arrangements (both as defined in the rule) to be disclosed to members before they vote on a merger. The amendments also revise certain requirements for approval by the Department, increase consistency between the Texas and federal requirements for mergers, and make non-substantive changes for clarity and readability.

The reasoned justification for these amendments is to ensure that the member vote on a merger takes place without undue influence and to increase transparency by ensuring that any merger-related financial arrangements are disclosed to the members before voting.

Two comments were received in response to the proposed amendments. Both comments, from the Cornerstone Credit Union League and First Service Credit Union, support adoption of the amendments as proposed.

The amendments are adopted pursuant to Texas Finance Code, §15.402, which authorizes the Commission to adopt reasonable rules for administering Texas Finance Code, Chapter 15 and Title 3, Subtitle D. Authority to adopt these amendments is found also in Texas Finance Code §122.1531 and 122.156.

The statutory provisions affected by the amendments are contained in Texas Finance Code Chapter 15 and Title 3, Subtitle D, particularly Finance Code §§122.005, and 122.151-.156.

The agency certifies that legal counsel has reviewed the adoption and found it to be within the agency's legal authority to adopt.

91.1003 Mergers/Consolidations

(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Acquirer [~~credit union~~] – The credit union that will continue in operation after the merger/consolidation.

(2) Acquiree [~~credit union~~] – The credit union that will cease to exist as an operating credit union at the time of the merger/consolidation.

(3) <u>Covered person – the chief executive officer (CEO) or person acting in a similar capacity; the four most highly compensated employees other than the CEO, and any member of the board of directors or supervisory committee.</u>

(4) Merger inducement – any payment of money, the distribution of property, or other economic benefit offered, provided, or promised to a member of the Acquiree that is conditioned on the member voting, refraining from voting, or voting in a particular manner on a proposed merger or the successful completion of a merger. A merger inducement does not include: [~~A promise by a credit union to pay to the members of another credit union a sum of money or other material benefit upon the successful completion of a merger of the two credit unions.~~]

(A) a dividend or interest payment distributed proportionally among members based on each member's applicable account balance relative to the total balances on which the dividend or interest is paid;

(B) an interest rebate distributed proportionally among members based on each member's share of the total interest paid to the credit union; or

(C) dividends, interest, or other payments made in the ordinary course of business that are generally available to members and not tied to the proposed merger/consolidation;

(D) products, services, or pricing available to all members of Acquirer and Acquiree;

(E) nominal promotional items distributed in the ordinary course of business;

(F) access to products, services, or facilities of Acquirer following the merger/consolidation, including expanded branch access or service offerings;

(G) merger-related financial arrangements for the Acquiree's CEO and the four most highly compensated employees other than the CEO; or

(H) benefits to members of the board of directors that are permissible under 7 TAC §91.502.

(5) Merger-related financial arrangement – any agreement, arrangement, or understanding under which a covered person, or an entity affiliated with a covered person, receives or is entitled to receive a substantial increase in compensation or benefits that is contingent upon, related to, or provided in connection with the completion of a merger/consolidation, including:

(A) any increase in compensation or benefits provided to the covered person during the 24 months preceding the date on which the boards of directors of Acquirer and Acquiree approve the plan for merger/consolidation; and

(B) any increase in compensation or benefits that will be provided to the covered person in connection with the merger/consolidation; and

(C) the aggregate value of all increases in direct or indirect compensation, including salary, bonuses, leave, deferred compensation, accelerated or early payment of retirement benefits, or any other financial reward, excluding compensation or benefits available to all employees of the Acquirer on identical terms and conditions.

(6) [~~(4)~~] Substantial--An amount exceeding the greater of 15% of a person's existing compensation or 15% of the value of the person's existing benefits, or $10,000. [~~that is large in size, value, or importance. For purposes of this section, an amount is substantial if it exceeds $1,000.00 in total.~~]

(b) Merger/Consolidation; No Inducements. Two or more credit unions organized under the laws of this state, another state, or the United States, may merge/consolidate, in whole or in part, with each other, or into a newly incorporated credit union to the extent permitted by applicable law, subject to the requirements of this rule. An Acquirer may not directly or indirectly, including through a credit union service organization, an affiliate, a contractor, or other third party, offer, provide, arrange, or promise a merger inducement to any member of the Acquiree. [~~A credit union may not offer a merger inducement to another credit union's members as a means of promoting a merger of the two credit unions.~~]

(c) Notice of Intent to Merge/Consolidate. The Acquirer and Acquiree [~~credit unions~~] shall notify the commissioner in writing of their intent to merge/consolidate within ten days after their [~~the credit unions~~] boards of directors formally agree in principle to a proposition to merge/consolidate.

(d) Plan for Merger/Consolidation. Upon approval of a proposition for merger/consolidation by the boards of directors, the Acquirer and Acquiree [~~credit unions~~] must prepare a plan for the proposed merger/consolidation. The plan shall include:

(1) The terms and conditions of the merger/consolidation including a detailed description of all merger-related financial arrangements [~~any substantial remuneration, such as bonuses, deferred compensation, early payout of retirement benefits, severance packages, retainers, services agreements, or other substantial financial rewards or benefits that any board member or senior management employee of the acquiree credit union may receive in connection with the merger/consolidation~~];

(2) the current financial reports of each credit union;

(3) the current delinquent loan summaries for each credit union;

(4) the combined financial reports of the Acquirer and Acquiree [~~two or more credit unions~~], including an assessment, in accordance with generally accepted accounting

principles, of net worth of each credit union prior to the merger/consolidation and the combined net worth of the Acquirer after the merger/consolidation;

(5) [~~(4)~~] an analysis of the adequacy of the combined Credit [~~Loan and Lease~~] Losses account;

(6) [~~(5)~~] an explanation of any proposed adjustments to the members' shares, or provisions for reserves, dividends, or undivided earnings [~~profits~~];

(7) [~~(6)~~] a summary of the products and services proposed to be available to the members of the Acquirer [~~acquirer credit union~~], with an explanation of any changes from the current products and services provided to the members;

(8) [~~(7)~~] a summary of the advantages and disadvantages of the merger/consolidation;

(9) [~~(8)~~] the projected location of the main office and any branch location(s) after the merger/consolidation and whether any existing office locations will be permanently closed; and

(10) provisions and/or liabilities with respect to notification and payment to creditors; and

(11) [~~(9)~~] any other items deemed critical to the merger/consolidation by the Acquirer's and Acquiree's boards of directors [~~agreement by the boards of directors~~].

(e) Submission of an Application to Merge/Consolidate to Department.

(1) An application for approval of the merger/consolidation will be complete when the following information is submitted to the commissioner:

(A) the merger/consolidation plan, as described in this section;

(B) any proposed agreement, arrangement, or understanding arising from or required to implement the merger/consolidation;

(C) [~~(B)~~] a copy of the corporate resolution of each board of directors approving the merger/consolidation plan;

(D) [~~(C)~~] the proposed Notice of Special Meeting of the members;

(E) [~~(D)~~] a copy of the ballot form to be sent to the members;

[~~(E) the current delinquent loan summaries for each credit union;~~]

(F) a statement as to whether the transaction is subject to the Hart-Scott Rodino Act premerger notification filing requirements; [~~and~~]

(G) board minutes of Acquirer and Acquiree referencing the merger/consolidation during the 24 months preceding board approval of the merger/consolidation plan; [~~a request for a waiver of the requirement that the plan be approved by the members of any of the affected credit unions, in the event the board(s) seek such a waiver, together with a statement of the reason(s) for the waiver(s).~~]

(H) any additional information requested by the commissioner;

(I) a certification executed by the chief executive officers and chairpersons of the Acquirer and Acquiree stating that no merger-related financial arrangements exist other than those disclosed in the Notice of Special Meeting;

(J) for a credit union seeking a waiver of member approval of the merger/consolidation plan, a written request stating the reasons for the waiver; and

(K) for an Acquirer that is not federally insured and does not intend to become federally insured:

(i) a written statement that it is aware of the federal requirements prescribed by 12 U.S.C. 1831t(b), including all notification requirements; and

(ii) proof that its accounts will be insured by the non-federal insurer.

(2) If the Acquirer [~~acquirer credit union~~] is organized under the laws of another state or of the United States, the commissioner may accept an application to merge or consolidate that is prescribed by the state or federal supervisory authority of the Acquirer [~~acquirer credit union~~], provided that the commissioner may require additional information to determine whether to deny or approve the merger/consolidation plan. An [~~The~~] application submitted under this paragraph will be [~~deemed~~] complete upon receipt of all information requested by the commissioner.

(3) Notice of the proposed merger/consolidation must be published in the *Texas Register* and Department Newsletter as prescribed in §91.104 (relating to Public Notice and Comment on Certain Applications).

(f) Commissioner Action on the Application.

(1) The commissioner may grant preliminary approval of an application for merger/consolidation conditioned upon specific requirements being met, but final approval shall not be granted unless such conditions have been met within the time specified in the preliminary approval. If the commissioner determines that a merger/consolidation constitutes an emergency, the commissioner may waive any specific merger plan or application requirements to ensure uninterrupted service to the members.

(2) The commissioner may [~~shall~~] deny an application for merger/consolidation if the commissioner finds any of the following:

(A) the financial condition of the Acquirer [~~acquirer credit union~~] before the merger/consolidation is such that it will likely jeopardize the financial stability of the Acquiree [~~merging credit union~~] or prejudice the financial interests of the members, beneficiaries or creditors of either credit union;

(B) the plan includes a change in the products or services available to members of the Acquiree [~~acquiree credit union~~] that substantially harms the financial interests of the members, beneficiaries or creditors of the Acquiree [~~acquiree credit union~~];

(C) the merger/consolidation is likely to [would probably] substantially lessen the ability of the Acquirer [~~acquirer credit union~~] to meet the reasonable needs and convenience of members to be served;

(D) the credit unions do not furnish to the commissioner all information requested by the commissioner which is material to the application;

(E) the credit unions fail to obtain any approval required from a federal or state supervisory authority; or

(F) the merger/consolidation would be contrary to law.

(3) For applications to merge/consolidate in which the products and services of the Acquirer [~~acquirer credit union~~] after merger/consolidation are proposed to be substantially the same as those of the Acquirer and Acquiree [~~acquiree and acquirer credit unions~~], the commissioner will presume that the merger/consolidation will not significantly change or affect the availability and adequacy of financial services in the local community.

(g) Procedures for Approval of Merger/Consolidation Plan by the Members of Each Credit Union.

(1) The credit unions have the option of allowing their members to vote on the plan in person at a meeting of the members, by mail ballot, or both. With prior approval of the commissioner, a credit union may accept member votes by an alternative method that is reasonably calculated to ensure each member has an opportunity to vote.

(2) Members shall be given advance notice of the meeting in accordance with the credit union's bylaws. The notice of the meeting shall:

(A) specify the purpose of the meeting and state the date, time, and place of the special meeting;

(B) state the reasons for the proposed merger/consolidation;

(C) contain a summary of the merger/consolidation plan, including: [~~and state that any interested person may obtain more detailed information about the merger from the credit union at its principal place of business, or by any method approved in advance by the commissioner;~~]

(i) a statement on whether the Acquirer has a higher or lower net worth ratio than the Acquiree;

(ii) an indication of whether the members of the Acquiree will receive a share adjustment, dividend, or other distribution of reserves or undivided earnings and a description of the reasons for the decision;

(iii) a description of any changes regarding the change in the members' deposit insurance if the Acquiree is not federally insured;

(iv) a statement that any interested person may obtain more detailed information about the merger/consolidation from the credit union at its principal place of business, or by any method approved in advance by the commissioner; and

(v) a table, provided on a separate page enclosed with the meeting notice, ballot, and plan summary, describing each merger-related financial arrangement, including the covered person involved, their position, the nature and description of the arrangement, and the total amount of any compensation or benefits associated with the arrangement;

(D) provide the names and street addresses of Acquirer's branch offices after the merger/consolidation [~~location of the acquirer credit union~~]; and

(E) state that members may vote on the merger/consolidation proposal in person or mail ballot or electronically (if the credit union bylaws allow) no later than the date and time established for the meeting called to vote on the merger/consolidation. [~~specify the methods permitted for casting votes; and~~]

[~~(F) if applicable, be accompanied by a mail ballot.~~]

(h) Completion of Merger/Consolidation.

(1) Upon approval of the merger/consolidation plan by the membership, if applicable, the Certificate of Merger/Consolidation shall be completed, signed and submitted to the commissioner for final authority to combine the records. Necessary amendments to the Acquirer's [~~acquirer credit union's~~] articles of incorporation or bylaws shall also be submitted at this time.

(2) Upon receipt of the commissioner's written authorization, the records of the credit unions shall be combined as of the effective date of the merger/consolidation. The board of the directors of the <u>Acquirer</u> [~~acquirer credit union~~] shall certify the completion of the merger/consolidation to the commissioner within 30 days after the effective date of the merger/consolidation.

(3) Upon receipt by the commissioner of the completion of the merger/consolidation certification, any article of incorporation or bylaw amendments will be approved and the charter of the <u>Acquiree</u> [~~acquiree credit union~~] will be canceled.

<u>(i) Other requirements. A federally insured credit union subject to this section must comply with applicable provisions of 12 C.F.R. Part 708b. The commissioner may require documentation demonstrating compliance when considering a merger/consolidation application.</u>

May 7, 2026

Attn: Devon Bijansky, General Counsel
Texas Credit Union Department ("TCUD")
914 East Anderson Lane
Austin, TX 78752-1699
Sent via electronic mail to CUDMail@cud.texas.gov

Subject: Formal Comment on Proposed Amendments to 7 TAC, Part 6, Chapter 91, Subchapter J, Section 91.1003 (Mergers/Consolidations)

Dear Ms. Bijansky,

On behalf of First Service Credit Union ("FSCU"), I respectfully submit these comments in strong support of the proposed amendments to Texas Administrative Code §91.1003 (Mergers/Consolidations), as published in the Texas Register on April 10, 2026. The proposed changes represent an important advancement in promoting transparency, protecting credit union members, and ensuring that mergers and consolidations are conducted with the highest standards of integrity.

FSCU particularly commends the Department for the provisions that:

Prohibit Inducements in Merger Transactions (§91.1003(b)) – The explicit prohibition of inducements in connection with mergers is critical to ensuring that decisions are made solely in the best interests of credit union members. This provision aligns with the fiduciary duties of credit union boards and management and mitigates risks of conflicts of interest or undue influence in merger negotiations.

Require Full Disclosure of Financial Arrangements (§91.1003(d)(1)) – The transparency created by mandatory disclosure of all financial arrangements related to a merger ensures that boards, members, and regulators have complete information to evaluate the transaction. Full disclosure strengthens accountability and fosters member trust.

Enhanced Member Notice (§91.1003 (g)(2)) – The expanded requirements for providing notice to members ensure that they are fully informed of proposed mergers, including the terms and potential impacts. The enhanced member notice allows members to exercise their rights with complete information and reinforces the central principle that mergers should be conducted in the members' best interests.

These amendments reinforce Texas's leadership in promoting prudent and transparent credit union transactions. By codifying these measures, the TCUD ensures that mergers are executed fairly, ethically, and with appropriate oversight, ultimately protecting members and the broader credit union system.

In conclusion, FSCU strongly urges the Department to adopt these amendments in their entirety, as they will significantly strengthen transparency in merger and consolidation transactions.

Thank you for your attention to these comments and your continued dedication to promoting the sound governance of Texas credit unions.

Sincerely,

Gevon Calix
VP of Compliance
First Service Credit Union

May 10, 2026

Devon Bijansky
General Counsel
Credit Union Department
914 East Anderson Lane
Austin, TX 78752

Sent via email to: CUDMail@cud.texas.gov

RE: Merger Rule Proposal, 91.1003

Dear Ms. Bijansky,

I am writing on behalf of the Cornerstone Credit Union League [“Cornerstone”] in response to the Credit Union Department’s proposed changes to 7 TAC §91.1003, Mergers and Consolidations. Cornerstone is a trade association representing over 600 state and federal credit unions in a 5-state region which includes Arkansas, Kansas, Missouri, Oklahoma, and Texas. Thank you for the opportunity to voice our comments.

Cornerstone appreciates the opportunity to participate in the workgroup that focused on revisions to the merger rule. I believe the collective thoughts of the group led to a well-developed draft rule.

Cornerstone supports the rule as proposed. The proposed amendments address the prohibition of merger inducements and require disclosure of merger-related financial arrangements while maintaining consistency with the NCUA merger rule. These changes ensure that the member vote on a merger takes place without undue influence. The changes also increase transparency by ensuring that any merger-related financial arrangements are disclosed to the members before voting.

If you have further questions or would like to discuss these comments in more detail, please feel free to contact me.

Sincerely,

Suzanne Yashewski
Regulatory Compliance Counsel
Cornerstone Credit Union League
Direct phone: (512) 853-8516
Email: syashewski@cornerstoneleague.coop

3. Rulemaking Matters
   a. Recommend to the Commission adoption or other action on amendments to:

      ii. 7 TAC Chapter 91, Subchapter G:
         A. Section 91.709, Member Business and Commercial Loans
         B. Section 91.714, Leasing

Background

These amendments are the result of the Department's rule review process. The amendments to Section 91.709 clarify the concept of controlling interests in commercial loans and make other non-substantive changes for clarity.

The amendments to Section 91.714 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 of real property by a credit union.

No comments were submitted in response to the proposed amendments.

Staff recommendation

Recommend that the Commission adopt the amendments as proposed.

Recommended motion

I move that the Committee recommend adoption of the amendments to 7 TAC Sections 91.709 and 91.714 as proposed.

The Credit Union Commission adopts amendments to §§91.709, Member Business and Commercial Loans, and 91.714, Leasing, without changes to the proposed text as published in the April 10, 2026, issue of the *Texas Register* (51 TexReg 2283) and as corrected in the April 24, 2026, issue (51 TexReg 2800), and the rules will not be republished.

The amendments, identified as a part of the Credit Union Department's quadrennial rule review process, delete a reference in subsection (b) of §91.714 to acquisition of property for the purpose of leasing it, already prohibited by §91.401, and make non-substantive changes to both rules, including clarifications to §91.709 regarding the concept of controlling interests in commercial loans and to §91.714 by adding a reference to §91.401 to ensure consistency between these sections that both address ownership and leasing of real property by a credit union.

The reasoned justification for the amendments is increased clarity, consistency, and readability of the rules.

No comments were received in response to the proposed amendments.

The amendments are adopted pursuant to Texas Finance Code, §15.402, which authorizes the Commission to adopt reasonable rules for administering Texas Finance Code, Title 2, Chapter 15 and Title 3, Subtitle D. Authority to adopt these amendments is found also in Texas Finance Code §123.103.

The statutory provisions affected by the amendments are contained in Texas Finance Code Chapter 15 and Title 3, Subtitle D, particularly Finance Code §123.103.

The agency certifies that legal counsel has reviewed the adoption and found it to be within the agency's legal authority to adopt.

91.709 Member Business and Commercial Loans

(a) Definitions. Definitions in TEX. FIN. CODE §121.002, are incorporated herein by reference. As used in this section, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise.

(1) –(2) (No change.)

(3) "Control<u>ling interest</u>" means <u>an interest in which</u> a person directly or indirectly, or acting through or together with one or more <u>other</u> persons [~~who~~]:

(A) <u>owns</u> [~~own~~], <u>controls</u> [~~control~~], or <u>has</u> [~~have~~] the power to vote twenty-five (25) percent or more of any class of voting securities of another person;

(B) <u>controls</u> [~~control~~], in any manner, the election of a majority of the directors, trustees, or other persons exercising similar functions of another person; or

(C) <u>has</u> [~~have~~] the power to exercise a controlling influence over the management or policies of another person.

(4) – (11) (No change.)

(b) – (h) (No change.)

(i) Aggregation and Attribution for Commercial Loans.

(1) –(2) (No change.)

(3) Common Enterprise.

(A) Description. A common enterprise is considered to exist and commercial loans to separate borrowers will be aggregated when:

(i) the expected source of repayment for each loan or extension of credit is the same for each borrower and neither borrower has another source of income from which the loan (together with the borrower's other obligations) may be fully repaid. An employer will not be treated as a source of repayment under this subparagraph because of wages and salaries paid to an employee[~~,~~] unless the loans or extensions of credit are made [~~the standards of clause (ii) of this subparagraph are met~~]:

[~~(ii) the loans or extension of credit are made:~~]

(I) to borrowers who have a controlling interest in the employer [~~who are related directly or indirectly through control~~] as defined by subsection (a) of this section; and

(II) substantial financial interdependence exists between or among the borrowers. Substantial financial interdependence is deemed to exist when fifty (50) percent or more of one borrower's gross receipts or gross expenditures (on an annual basis) are derived from transactions with the other borrower. Gross receipts and expenditures include gross revenues/expenses, intercompany loans, dividends, capital contributions, and other similar receipts or payments;

(ii) [~~(iii)~~] separate persons borrow from a credit union to acquire a business of enterprise of which those borrowers will own more than fifty (50) percent of the voting securities of voting interest, in which case a common enterprise is deemed to exist between the borrowers for purposes of combining the acquisition loans; or

(iii) [~~(iv)~~] the Department determines, based upon an evaluation of the facts and circumstances of particular transactions, that a common enterprise exists.

(B) – (C) (No change.)

(j) – (m) (No change.)

91.714 Leasing

(a) (No change.)

(b) Permissible activities. Subject to the limitations of this section <u>and §91.401 of this title (relating to Credit Union Ownership of Property)</u>, a credit union may engage in leasing activities. These activities include [~~becoming the legal or beneficial owner of tangible personal property or real property for the purpose of leasing such property,~~] obtaining an assignment of a lessor's interest in a lease of such property[~~,~~] and incurring obligations incidental to its position as the legal or beneficial owner and lessor of the leased property.

(c) – (h) (No change.)

3. Rulemaking Matters
   a. Recommend to the Commission adoption or other action on amendments to:

      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

<u>Background</u>

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.

No comments were submitted in response to the proposed amendments.

<u>Staff recommendation</u>

Recommend that the Commission adopt the amendments as proposed.

<u>Recommended motion</u>

I move that the Committee recommend adoption of the amendments to 7 TAC Sections 95.105, 95.108, and 95.110 as proposed.

The Credit Union Commission adopts amendments to §§95.105, Reporting; 95.108, Examinations; and 95.110, Enforcement; Penalty; and Appeal, without changes to the text as proposed in the April 10, 2026, issue of the *Texas Register* (51 TexReg 2288), and the rules will not be republished.

The amendments, identified as a part of the Credit Union Department's quadrennial rule review process, make non-substantive changes to the Department's rules. The amendments to §§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 §95.108, Examinations, incorporate provisions from §95.109, Fees and Charges, relating to fees for examinations of insuring organizations, which is being repealed elsewhere in this issue.

The reasoned justification for the rules is increased clarity and readability of the rules.

No comments were received in response to the proposed amendments.

The amendments are adopted pursuant to Texas Finance Code, §15.402, which authorizes the Commission to adopt reasonable rules for administering Texas Finance Code, Title 2, Chapter 15 and Title 3, Subtitle D.

The statutory provisions affected by the amendments are contained in Texas Finance Code Chapter 15 and Title 3, Subtitle D, specifically §15.402.

The agency certifies that legal counsel has reviewed the adoption and found it to be within the agency's legal authority to adopt.

95.105 Reporting

(a) Within one hundred days after the close of each [~~a~~] fiscal year, an insuring organization shall file with the commissioner [~~annually~~] audited financial statements, prepared in accordance with generally accepted accounting principles~~,~~ covering that fiscal year. The audited financial statements shall be accompanied by an opinion of an independent certified public accountant. In addition, at least once every three years, the audit shall include an actuarial study of the capital adequacy of the insuring organization.

(b) The provisions of this section are in addition to those prescribed in §91.209 of this title (relating to Call Reports and Other Information Requests [~~Reports and Charges for Late Filing~~]).

95.108 Examinations

(a) The department may conduct examinations and investigations within or outside this state to determine whether an insuring organization has engaged, is engaging or is about to engage in any act, practice or transaction which constitutes an unsafe or unsound practice or a violation of any law or rule applicable to the insuring organization.

(b) In lieu of an examination under this section, the commissioner may accept the examination report of another regulator authorized to examine the insuring organization.

<u>(c) If the Department conducts an examination or investigation in accordance with subsection (a) of this section, the insuring organization shall pay the costs as outlined for foreign credit union examinations in §97.113(d)(3) of this title.</u>

<u>(d) At the sole discretion of the Commissioner, the Department may engage professionals to perform and complete any aspect of an examination or investigation. The reasonable expenses and compensation of such professionals shall be paid by the insuring organization.</u>

95.110 Enforcement; Penalty; and Appeal

(a) The commissioner may issue a cease and desist order, generally in accordance with Finance Code §122.257(b), (c), (d) and (e), to an officer, employee, director, and/or the insuring organization itself, if the commissioner determines from examination or other credible evidence that the insuring organization has or is operating in an unsafe or unsound manner, or violated or is violating any applicable Texas law or rule of the commission, including causing a credit union to operate in an unsafe or unsound condition as defined by Finance Code §121.002(11)(C). If the insuring organization does not comply with the order, the commissioner may assess an administrative penalty as authorized by Finance Code §122.260, as well as institute procedures to revoke the authority to provide primary share insurance coverage in this state.

(b) An insuring organization may file a notice of appeal of a cease and desist order in accordance with §93.401 of this title (relating to <u>Appeals of Cease and Desist Orders and Orders of Removal</u> [~~Finality and Request for SOAH Hearing~~]).

3. Rulemaking Matters

a. Recommend to the Commission adoption or other action on amendments to:

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

Background

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

No comments were submitted in response to the proposed amendments.

Staff recommendation

Recommend that the Commission adopt the amendments as proposed.

Recommended motion

I move that the Committee recommend adoption of the amendments to 7 TAC Sections 95.302, 95, 305, and 95.310 as proposed.

The Credit Union Commission adopts amendments to §§95.302, Powers; 95.305, Audited Financial Statements; Accounting Procedures; Reports; and 95.310, Fees and Charges, without changes to the text as proposed in the April 10, 2026, issue of the Texas Register (51 TexReg 2290), and the rules will not be republished.

The amendments, identified as a part of the Credit Union Department's quadrennial rule review process, make non-substantive corrections to the titles of other rule sections referenced in the rules.

The reasoned justification for the amendments is accuracy of the rules.

No comments were received in response to the proposed amendments.

The amendments are adopted pursuant to Texas Finance Code §15.402, which authorizes the Commission to adopt reasonable rules for administering Texas Finance Code, Title 2, Chapter 15 and Title 3, Subtitle D.

The statutory provisions affected by the amendments are contained in Texas Finance Code Chapter 15 and Title 3, Subtitle D.

The agency certifies that legal counsel has reviewed the adoption and found it to be within the agency's legal authority to adopt.

95.302 Powers

The guaranty credit union, pursuant to Texas Finance Code §15.410(b) and to the powers contained in Subtitle D, Title 3, Texas Finance Code, may:

(1) – (15) (No change.)

(16) Acquire a promissory note or other asset upon which a nonmember is liable, provided such acquisition is made, in the discretion of the guaranty credit union, to protect an inferior lien held by the guaranty credit union, a participating credit union, member of the guaranty credit union or a member of a participating credit union member of the guaranty credit union. Such acquisitions shall not be subject to the restrictions of §91.701 et. seq. of this title (relating to Lending Powers [~~Loans~~]);

(17) – (18) (No change.)

95.305 Audited Financial Statements; Accounting Procedures; Reports

(a) – (c) (No change.)

(d) All of the provisions of this section are in addition to those prescribed in §91.209 of this title (relating to Call Reports and Other Information Requests [~~Reports and Charges for Late Filing~~]).

95.310 Fees and Charges

(a) A guaranty credit union shall pay the fees prescribed in §97.113 of this title (relating to [~~Operating~~] Fees and Charges) in the same manner as any other credit union chartered under the Act.

(b) (No change.)

3. Rulemaking Matters

b. Recommend that the Commission adopt the repeal of 7 TAC Section 95.109, Fees and Charges

Background

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

No comments were submitted in response to the proposed repeal.

Staff recommendation

Recommend that the Commission adopt the repeal as proposed.

Recommended motion

I move that the Committee recommend repeal of 7 TAC Section 95.109.

The Credit Union Commission adopts the repeal of 7 TAC §95.109, Fees and Charges, as proposed in the April 10, 2026, issue of the *Texas Register* (51 TexReg 2289).

The repeal is adopted in order to combine the provisions of this section with §95.108, Examinations, being amended elsewhere in this issue so that provisions regarding examinations of insuring organizations and the fees associated with those examinations will be in a single rule.

The reasoned justification for the repeal is clarity through the consolidation of provisions related to examinations of insuring organizations.

No comments were received in response to the proposed repeal.

The repeal is adopted pursuant to Texas Finance Code §15.402, which authorizes the Commission to adopt reasonable rules for administering Texas Finance Code, Title 2, Chapter 15 and Title 3, Subtitle D.

The statutory provisions affected by the repeal are contained in Texas Finance Code Chapter 15 and Title 3, Subtitle D.

The agency certifies that legal counsel has reviewed the repeal and found it to be within the agency's legal authority to adopt.

[~~95.109 Fees and Charges~~

~~(a) An insuring organization shall pay the cost associated with an examination of a foreign credit union as prescribed in §97.113(k) of this title (relating to Foreign Credit Union Examination Fees).~~

~~(b) At the sole discretion of the commissioner, the department may engage professionals to perform and complete any aspect of an examination or investigation. The reasonable expenses and compensation of such professionals shall be paid by the insuring organization.~~]

3. Rulemaking Matters
    c. Recommend to the Commission proposal of amendments to:

        i. 7 TAC Chapter 91, Subchapter E:
            A. Section 91.501, Director Eligibility and Disqualification
            B. Section 91.502, Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures

These amendments are the result of the Department's rule review process. The amendments to Section 91.501 would add flexibility to the recordkeeping requirement for applications of new directors. The amendments to Section 91.502 would correct the title of a rule referenced in the section.

<u>Sta recommendation</u>

Recommend that the Commission propose the amendments as presented.

<u>Recommended motion</u>

I move that the Committee recommend proposal of the amendments to 7 TAC Sections 91.501 and 91.502 as presented.

The Credit Union Commission proposes amendments to §§91.501, Director Eligibility and Disqualification, and 91.502, Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. The proposed amendments were identified as a part of the Credit Union Department's quadrennial rule review process. The amendments to Section 91.501 would add flexibility to the recordkeeping requirement for applications of new directors. The amendments to Section 91.502 would update the title of a rule referenced in the section

COST TO REGULATED PERSONS. This rule proposal is not subject to Texas Government Code §2001.0045 concerning increasing costs to regulated persons because this agency is a self-directed semi-independent (SDSI) agency under Finance Code Chapter 16 and is therefore exempt under §2001.0045(c)(8).

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Texas Government Code §2001.0221, the Department has prepared a government growth impact statement.

For each year of the first five years that the rules as amended will be in effect, the rules will not:

--create or eliminate a government program;

--require the creation of new employee positions or the elimination of existing employee positions;

--require an increase or decrease in future legislative appropriations to the Department;

--require an increase or decrease in fees paid to the Department;

--create new regulations;

--expand, limit, or repeal existing regulations;

--increase or decrease the number of individuals subject to the rule's applicability;

--positively or adversely affect this state's economy.

ENVIRONMENTAL RULE ANALYSIS. The proposed rules are not "major environmental rules" as defined by Government Code §2001.0225. The proposed rules are not specifically intended to protect the environment or to reduce risks to human health from environmental exposure. Therefore, a regulatory environmental analysis is not required.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENTS. Robert Etheridge, Commissioner, has determined that for the first five-year period the proposed amendments are in effect, there are no reasonably foreseeable implications relating to cost or revenues of state or local governments under Government Code §2001.024(a)(4) as a result of enforcing or administering these amendments as proposed.

PUBLIC BENEFIT/COST NOTE. Mr. Etheridge has determined, pursuant to Government Code §2001.024(a)(5), that for the first five-year period the amended rules are in effect, the public benefit of the amendments to §91.501 is streamlined recordkeeping by credit unions, and the public benefit of the amendments to §91.502 is accuracy in the rule. He has further determined there will be no probable economic cost to the credit union system or to persons required to comply with the rules.

IMPACT ON LOCAL EMPLOYMENT OR ECONOMY. There is no reasonably anticipated effect on a local economy for the first five years that the proposed amendments are in effect. Therefore, no economic impact statement, local employment impact statement, or regulatory flexibility analysis is required under Texas Government Code §§2001.022 or 2001.024(a)(6).

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES. Mr. Etheridge has also determined that for each year of the first five years the proposed amendments are in effect, there will be no reasonably forecasted adverse economic effect on small businesses, micro-businesses, or rural communities as a result of implementing these amendments, and, therefore, no regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is required.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal, and the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action. Therefore, the amendments do not constitute a taking under Texas Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. The Department is requesting public comments on the proposed amendments and information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. Please include an explanation of how and why the submitted information is specific to the proposed rules. Please do not submit copyrighted, confidential, or proprietary information. Written comments on the proposed amendments may be submitted in writing to Devon Bijansky, General Counsel, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699 or by email to CUDMail@cud.texas.gov. To be considered, a written comment must be received within 30 days after publication of the proposal in the *Texas Register*.

STATUTORY AUTHORITY. The amendments are adopted pursuant to Texas Finance Code §15.402, which authorizes the Commission to adopt reasonable rules for administering Title 2, Chapter 15 and Title 3, Subtitle D of the Texas Finance Code, particularly §122.053, which sets forth the duties of directors; §122.054, which directs the commission to establish qualifications for a director and §122.062, which limits the compensation a director may receive for services.

STATUTORY SECTIONS AFFECTED. The specific sections affected by the amendments are Texas Finance Code §§122.053, 122.054, and 122.062.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

91.501 Director Eligibility and Disqualification

(a) – (b) (No change.)

(c) Director application. Any member nominated for, or seeking election to, the board of directors shall submit a written application in such form as the credit union may prescribe. The application shall be submitted either to the nominating committee prior to its selection of nominees; or to the board chair within 30 days following the election of a member who was not nominated by the nominating committee or who was appointed by the board to fill a vacancy. The applications of the elected/appointed directors shall be incorporated into and made part of the minutes of either the first board meeting immediately preceding [~~following~~] the election/appointment of those directors or the first board meeting following the election/appointment. Applications of unsuccessful candidates shall be destroyed or returned upon request. The commissioner may review and require that changes be made to any application form, which is deemed inadequate or unfairly discriminates against certain classes of members.

(d) – (f) (No change.)

(g) (No change.)

91.502 Director/Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures

(a) Expense reimbursement. A credit union may reimburse out-of-pocket travel and related expenses that are reasonable and appropriate for the business activity undertaken. A credit union shall adopt a written board policy to administer and control travel expenses paid or incurred in connection with directors or committee members carrying out official credit union business.

(b) Payment of fees. Subject to the provisions of this rule, a credit union may pay a reasonable meeting fee to any of its directors, honorary directors, advisory directors, (hereafter referred to as directors) or committee members for attending duly called meetings at which appropriate credit union business is conducted. Any credit union electing to pay any type of meeting fee shall annually disclose to the membership the fees paid in the prior calendar year and scheduled to be paid in the current calendar year. This disclosure may be provided to the members as part of the credit union's annual report as prescribed in §91.310 of this title (relating to Annual Report to Membership [~~annual report to membership~~]). A credit union, however, may not pay any meeting fees to a director or committee member if the credit union is operating under a Net Worth Restoration Plan; or an order issued under Finance Code §122.257 or §122.258.

(c) Enforcement Authority; Prohibition. The commissioner may prohibit or otherwise limit or restrict the payment of meeting fees to directors or committee members if, in the opinion of the commissioner, the credit union has paid, is paying, or is about to pay meeting fees that are excessive as defined in subsection (f) of this section.

(d) Use of credit union equipment. A credit union may provide personal computers, access to electronic mail, and other electronic conveniences to directors during their terms of office provided:

(1) the board of directors determines that the equipment and the electronic means are necessary and appropriate for the directors to fulfill their duties and responsibilities;

(2) the board of directors develops and maintains written policies and procedures regarding this matter; and

(3) the arrangement ceases immediately upon the person's leaving office.

(e) Insurance. A credit union may, in accordance with written board policy, provide health, life, accident, liability, or similar personal insurance protection for directors and committee members. The kind and amount of these insurance protections must be reasonable given the credit union's size, financial condition, and the duties of the director or committee member. The insurance protection must cease upon the director or committee member's leaving office, without providing residual benefits beyond those earned during the individual's term on the board or committee.

(f) Review by board. A credit union shall implement and maintain appropriate controls and other safeguards to prevent the payment of fees or expenses that are excessive or that could lead to material financial loss to the institution. At least annually, the board, in good faith, shall review the director/committee member fees and director/committee member-related expenses incurred, paid or reimbursed by the credit union and determine whether its policy continues to be in the best interest of the credit union. The Board's review shall be included as part of the minutes of the meeting at which the policy and the fees and expenses were studied. Fees and expenses shall be considered excessive when amounts paid are disproportionate to the services performed by a director or committee member, or unreasonable considering the financial condition of the institution and similar practices at credit unions of a comparable asset size, geographic location, and/or operational complexity.

(g) Guest travel. A credit union's board may authorize the payment of travel expenses that are reasonable in relation to the credit union's financial condition and resources for one guest accompanying a director or committee member to an approved conference or educational program. The payment will not be considered compensation for purposes of Finance Code §122.062 if:

(1) it is determined by the board to be necessary or appropriate in order to carry out the official business of the credit union; and

(2) it is in accordance with written board policies and procedures.

3. Rulemaking Matters
   c. Recommend to the Commission proposal of amendments to:

      ii. 7 TAC Chapter 91, Subchapter F:
         b. Section 91.601, Share and Deposit Accounts
         c. Section 91.608, Confidentiality of Member Records
         d. Section 91.610, Safe Deposit Box Facilities

These amendments are the result of the Department's rule review process. The amendment to §91.601 would clarify a reference to part of the rule. A member of the public suggested additional changes to this section to exempt the categories of entities in subsection (c) from the requirements of subsection (d); however, the Commission notes that subsection (d) already incorporates those exceptions by reference to subsection (c). The amendments to §91.608 would update a reference to the federal regulations. The amendments to §91.610 would update the references to the statute regarding imprinting of safe deposit keys to Chapter 125 of the Finance Code, which relates to credit unions, instead of Chapter 59, which relates to banks, and would delete certain provisions that are duplicative of or in conflict with the statute.

Staff recommendation

Recommend that the Commission propose the amendments as presented.

Recommended motion

I move that the Committee recommend proposal of the amendments to 7 TAC Sections 91.601, 91.608, and 91.610 as presented.

The Credit Union Commission proposes amendments to §§91.601, Share and Deposit Accounts; 91.608, Confidentiality of Member Records; and 91.610, Safe Deposit Box Facilities.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES. The proposed amendments were identified as a part of the Credit Union Department's quadrennial rule review process. The amendment to §91.601 would clarify a reference to part of the rule. A member of the public suggested additional changes to this section to exempt the categories of entities in subsection (c) from the requirements of subsection (d); however, the Commission notes that subsection (d) already incorporates those exceptions by reference to subsection (c). The amendments to §91.608 would update a reference to the federal regulations. The amendments to §91.610 would update the references to the statute regarding imprinting of safe deposit keys to Chapter 125 of the Finance Code, which relates to credit unions, instead of Chapter 59, which relates to banks, and would delete certain provisions that are duplicative of or in conflict with the statute.

COST TO REGULATED PERSONS. This rule proposal is not subject to Texas Government Code §2001.0045 concerning increasing costs to regulated persons because this agency is a self-directed semi-independent (SDSI) agency under Finance Code Chapter 16 and is therefore exempt under §2001.0045(c)(8).

GOVERNMENT GROWTH IMPACT STATEMENT. In compliance with Texas Government Code §2001.0221, the Department has prepared a government growth impact statement.

For each year of the first five years that the rules as amended will be in effect, the rules will not:

--create or eliminate a government program;

--require the creation of new employee positions or the elimination of existing employee positions;

--require an increase or decrease in future legislative appropriations to the Department;

--require an increase or decrease in fees paid to the Department;

--create new regulations;

--expand, limit, or repeal existing regulations;

--increase or decrease the number of individuals subject to the rule's applicability;

--positively or adversely affect this state's economy.

ENVIRONMENTAL RULE ANALYSIS. The proposed rules are not "major environmental rules" as defined by Government Code §2001.0225. The proposed rules are not specifically intended to protect the environment or to reduce risks to human health from environmental exposure. Therefore, a regulatory environmental analysis is not required.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENTS. Robert Etheridge, Commissioner, has determined that for the first five-year period the proposed amendments are in effect, there are no reasonably foreseeable implications relating to cost or revenues of state or local governments under Government Code §2001.024(a)(4) as a result of enforcing or administering these amendments as proposed.

PUBLIC BENEFIT/COST NOTE. Mr. Etheridge has determined, pursuant to Government Code §2001.024(a)(5), that for the first five-year period the amended rules are in effect, the public benefit of the amendments is accuracy and conciseness of the rules. He has further determined there will be no probable economic cost to the credit union system or to persons required to comply with the rules.

IMPACT ON LOCAL EMPLOYMENT OR ECONOMY. There is no reasonably anticipated effect on a local economy for the first five years that the proposed amendments are in effect. Therefore, no economic impact statement, local employment impact statement, or regulatory flexibility analysis is required under Texas Government Code §§2001.022 or 2001.024(a)(6).

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS FOR SMALL BUSINESSES, MICROBUSINESSES, AND RURAL COMMUNITIES. Mr. Etheridge has also determined that for each year of the first five years the proposed amendments are in effect, there will be no reasonably forecasted adverse economic effect on small businesses, micro-businesses, or rural communities as a result of implementing these amendments, and, therefore, no regulatory flexibility analysis, as specified in Texas Government Code §2006.002, is required.

TAKINGS IMPACT ASSESSMENT. No private real property interests are affected by this proposal, and the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action. Therefore, the amendments do not constitute a taking under Texas Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. The Department is requesting public comments on the proposed amendments and information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. Please include an explanation of how and why the submitted information is specific to the proposed rules. Please do not submit copyrighted, confidential, or proprietary information. Written comments on the proposed amendments may be submitted in writing to Devon Bijansky, General Counsel, Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699 or by email to CUDMail@cud.texas.gov. To be considered, a written comment must be received within 30 days after publication of the proposal in the *Texas Register*.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Finance Code §15.402, which authorizes the Commission to adopt reasonable rules for administering Title 2, Chapter 15 and Title 3, Subtitle D (Chapters 121 through 149) of the Texas Finance Code; particularly §§ 123.201-.204, which address credit unions' powers with regard to certain types of transactions; 125.402, which authorizes the Commission to adopt reasonable rules relating to confidentiality and disclosure of members' information; and 125.508, which establishes requirements related to imprinting of safe deposit box keys.

STATUTORY SECTIONS AFFECTED. The specific sections affected by the amendments are Texas Finance Code §§122.053, 122.054, 122.062, 123.201-.204, 125.402, and 125.508.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the agency's legal authority to adopt.

91.601 Share and Deposit Accounts

(a) Accounts. A credit union may offer any type of share or deposit accounts and prescribe the terms and conditions relating to the accounts as established by written policies approved by the board of directors.

(b) Policies and procedures. Each credit union, before accepting any funds for any share or deposit accounts, shall adopt, implement and maintain appropriate policies and procedures which address, at a minimum, asset liability management and adequate liquidity levels.

(c) Limitation on deposit accounts. Acceptance of funds from a depositor authorized by the Act that is not within the credit union's field of membership is subject to the limitations prescribed by §123.201(b) of the Act. This <u>limitation</u> [~~restriction~~] does not apply to a credit union accepting for deposit the money of:

(1) the United States or any agent or instrumentality of the United States;

(2) this or another state; or

(3) a political subdivision of this or another state.

(d) Nonmember deposit. The written documentation evidencing a deposit under subsection (c) of this section shall clearly and conspicuously disclose that the funds are not insured. This <u>subsection</u> [~~section~~] does not apply to insured deposits from other credit unions or received by a credit union with a low-income designation.

91.608 Confidentiality of Member Records

(a) – (b) (No change.)

(c) Privacy policy. Each credit union shall develop, implement and maintain a written policy on the protection of nonpublic personal information of individual members in its possession. This policy shall be consistent with the disclosure and reporting requirements applicable to federally insured credit unions as addressed in <u>12 C.F.R. part 1016 (Part 1016 of the Consumer Financial Protection Bureau regulations)</u> [~~Part 716 of NCUA Rules and Regulations~~].

(d) (No change.)

91.610 Safe Deposit Box Facilities

(a) Purpose. Finance Code §125.508 [~~§59.110~~] requires credit unions to imprint keys issued to safe deposit boxes with the institution's routing number. In addition, it requires a report to the Department of Public Safety if the routing number is altered or defaced so that the correct routing number is illegible. The purpose of this section is to clarify the requirements of the noted section of the Finance Code.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Credit union--This term includes all state or federal credit unions that have been assigned a routing number unique to that institution.

(2) Routing number--The number printed on the face of a share draft or check in fractional form or in nine-digit form that identifies a paying financial institution.

(c) Imprinting requirements. A credit union which has been issued a routing number shall imprint that routing number on safe deposit box keys on either the head of the key or the shank of the key if there is adequate room. The typical locations to be used are indicated in the following instructions and diagram. The imprint can be made anywhere on the key that has the required space available. When positioning the die on the key, be careful to place the die on the key where it will imprint on a flat surface and not in the area of the key cuts or on any of the shank ridges or grooves. Imprinting in these areas may interfere with the proper working of the key in the lock and may cause damage. In the event these standard areas for the location of the imprint are unavailable, either because of grooves on the key shank or the fact that the head of the key already has names and other numbers imprinted on it, then the credit union may attach to the key a tag imprinted with the routing number. The tag used must be of such a nature as to be secure. Thus, a paper or cardboard tag or a tag affixed with string will not be acceptable. However, any other medium such as plastic or metal which can retain an imprint of a number shall be acceptable. The tag may be attached in any way to assure its affixation to the key. Typically, this will mean inserting the tag or a device to affix the tag through the hole in the head of the key normally used for placing keys on key chains. The tag method shall not be used if there is adequate room on the key itself for imprinting the numbers. There are four standard areas for the location of the imprinted routing number. These include: the head of the key, the shank of the key, and either place on the reverse side of the key. The standard imprint areas are shown as follows.

Attached Graphic

(d) Branch designation. A credit union may, but is not required to, add a three-digit branch designation to its routing number. Thus, the main credit union facility should receive the designation "001" and branch facilities should receive numbers consecutively beginning with "002" with successive numbers as needed. However, the credit union may control the branch numbering system used provided that the credit union maintains a master list of branch designations used for this purpose. The master list should be maintained at the main office of the credit union and shall include the three-digit branch designation and address of facility. The credit union then may imprint safe deposit box keys or tags with the routing number plus three-digit branch designation for full identification of the facility.

(e) Report of defaced or altered key. A credit union that submits a report to the Department of Public Safety pursuant to Finance Code §125.508 shall retain a copy of the report for a period of three years. [~~Within 10 days after an officer or employee of a credit union observes that a key used to access a safe deposit box has had the routing number altered or defaced or the tag removed, a report shall be prepared of such incident. The report shall be on a form promulgated by the Credit Union Department in the form of the attached Exhibit A. The report should be submitted to the Department of Public Safety, Attention: Criminal Law Enforcement, Box 4087, Austin, Texas 78773-0001. The report should be mailed no later than ten days after the incident. The credit union should retain one copy of the incident report for a period of three years. Nothing in this rule nor in the Finance Code §59.110 shall require a credit union to inspect routing numbers imprinted on a key or an attached tag to determine if the number has been altered or defaced.~~]

(f) Effective date; applicability to existing keys. A credit union must imprint all safe deposit box keys on or after September 1, 1992. Additionally, the imprinting requirement applies to all keys issued prior to September 1, 1992. However, keys for boxes rented prior to September 1, 1992, need not be imprinted with the routing number unless and until a member presents a safe deposit box key at a credit union for access to a box. Nothing in this rule or the Finance Code §125.508 [~~§59.110~~] shall be construed to require a credit union to provide notice to its safe deposit box users or to otherwise require such members to present their keys for imprinting. However, on the first date after September 1, 1992, that a member presents a key which has not been imprinted, the credit union shall imprint the key with the routing numbers as required by Finance Code §125.508 [~~§59.110~~].

(g) Effect of change in routing number. In the event a credit union's routing number is changed as a result of a merger, acquisition, or other change, safe deposit box keys need not be replaced with a new routing number provided that the credit union maintains a master list of the routing numbers used to imprint keys.

[~~Attached Graphic~~]

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March 18, 2026

VIA E-MAIL

Credit Union Department
State of Texas
914 East Anderson Lane
Austin, Texas 78752

Re: Disclosures Required by 7 Tex. Admin. Code 91.601(d)

Dear Madam or Sir:

On behalf of certain interested financial institution clients, we write to inform the Credit Union Department (the "Department") of an error within a provision of the Texas Administrative Code ("TAC") that harms the ability of credit unions chartered by the Department to access efficient funding sources.

Specifically, Section 91.601(d) of the TAC requires a credit union issuing shares to a nonmember political subdivision (such as a municipality, a county, a school district, or another taxing authority) to inform the nonmember that its shares are not insured by the National Credit Union Share Insurance Fund ("NCUSIF"). In fact, as discussed below, such shares are eligible for NCUSIF insurance. We respectfully request the Department to take prompt corrective action to place Texas credit unions on equal footing with credit unions in other states.

The disclosure requirement in Section 91.601(d) creates notable confusion and disrupts the brokered share certificate distribution market which permits credit unions to efficiently access stable funding sources. Through the brokered share certificate model, broker-dealers underwrite and distribute share certificates to nonmembers permitted to hold credit union shares. The brokered certificate market, which parallels the very large and well-developed brokered certificate of deposit market for banks, has become an increasingly important part of the credit union ecosystem. However, the current Section 91.601(d) disclosure requirement has led multiple broker-dealers to avoid distributing share certificates issued by Texas credit unions to political subdivision depositors.

As the Department is aware, the NCUSIF will insure the shares of a federally or state-chartered credit union up to a specified limit only if the shares are issued to (i) members of the credit union or (ii) other credit unions, public units[1] and political subdivisions[2] thereof (each, an "Eligible

[1] The term "public unit" means the United States, any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico; the Panama Canal Zone; any territory or possession of the United States; any county, municipality, or political subdivision thereof; or any Indian tribe as defined in section 3(c) of the Indian Financing Act of 1974. 12 CFR 745.1(c).

[2] The term "political subdivision" includes any subdivision of a public unit or any principal department of such public unit, (1) the creation of which subdivision or department has been expressly authorized by state statute, (2) to

Nonmember"). Pursuant to National Credit Union Administration ("NCUA") regulations, Eligible Nonmember share accounts of state-chartered credit unions are eligible for NCUSIF insurance to the same extent as nonmember share accounts of federally chartered credit unions. Accordingly, Eligible Nonmember accounts that satisfy the criteria set forth in the NCUA regulations will receive NCUSIF insurance up to the $250,000 limit in the same manner as member accounts.

Under Texas law, a credit union chartered by the Department may issue shares to all types of Eligible Nonmembers, including political subdivisions. Nonetheless, Section 91.601(d) of TAC provides that "the written documentation evidencing a [nonmember deposit] shall clearly and conspicuously disclose that the funds are not insured." There is no exception from this disclosure requirement for shares issued to political subdivisions, even though such shares are clearly eligible for NCUSIF insurance.

Accordingly, requiring this disclosure misrepresents the actual scope of NCUSIF insurance, conflicts with the governing federal regulatory framework, and creates unnecessary confusion for credit unions, potential depositors, and broker-dealers operating in Texas. For these reasons, we respectfully submit for the Department's consideration the following amendments to Section 91.601(d) to align the TAC with the NCUA's regulations governing eligibility for NCUSIF insurance. We would suggest the following proposed revisions:

> (d) Nonmember deposit. The written documentation evidencing a deposit under subsection (c) of this section shall clearly and conspicuously disclose that the funds are not insured. This section does not apply to insured deposits from other credit unions<u>, deposits from the United States or any agent or instrumentality of the United States, this or another state, or a political subdivision of this or another state,</u> or deposits received by a credit union with a low-income designation.

We would be happy to discuss the issues or the efficacy of our suggested changes to the regulation text. Please reach out at any time to jennings@sewkis.com or (202) 661-7166.

Sincerely,

Casey J. Jennings

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which some functions of government have been delegated by state statute, and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control. It also includes drainage, irrigation, navigation improvement, levee, sanitary, school or power districts and bridge or port authorities, and other special districts created by state statute or compacts between the states. Excluded from the term are subordinate or nonautonomous divisions, agencies, or boards within principal departments. 12 CFR 745.1(d).

3. Rulemaking Matters

d. Recommend to the Commission adoption of rule review and readoption of rules in 7 TAC Chapter 91, Subchapters E and F

Background

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 has reviewed the above-referenced subchapters, believes 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 in the May 8, 2026, issue of the *Texas Register*. One comment was received prior to the publication of the rule review regarding 7 TAC Section 91.601, as addressed in the previous agenda item. The Department believes that the reasons for adopting these rules continue to exist.

Staff recommendation

Recommend that the Commission find the reasons for the rules continue to exist and adopt the rule review.

Recommended motion

I move that the Committee recommend that the Commission find that the reasons for adopting 7 TAC Chapter 91, Subchapters E and F continue to exist and readopt the rules in these subchapters.

Title 7, Part 6

The Texas Credit Union Commission (Commission) adopts the review of Texas Administrative Code Title 7, Part 6, Chapter 91, Subchapters E (Direction of Affairs) and Subchapter F (Accounts and Services).

Notice of the review of 7 TAC, Part 6, Chapter 91, Subchapters E and F was published in the May 8, 2026, issue of the *Texas Register* (51 TexReg 3157). The Credit Union Department received no comments in response to the review of these subchapters; however, prior to the opening of rule review, it did receive one comment regarding 1 TAC § 91.601, Share and Deposit Accounts, suggesting changes to this section to exempt the categories of entities in subsection (c) from the requirements of subsection (d); however, subsection (d) already incorporates those exceptions by reference to subsection (c).

After reviewing these rules, the Commission determined that the reasons for initially adopting these rules continue to exist and readopts Chapter 91, Subchapters E and F in their entirety in accordance with the requirements of Texas Government Code § 2001.039. However, the Commission has determined that certain sections of these subchapters should be amended and will propose those changes elsewhere in this issue of the *Texas Register*. This concludes the review of Texas Administrative Code Title 7, Part 6, Chapter 91, Subchapters E and F.

4. Future Committee Meetings – dates, agenda items, and arrangements
    - Thursday, November 5, 2026
    - Thursday, March 4, 2027

5. Adjourn