News of Interest to Credit Unions Regulated by the Credit Union Department

Newsletter

No. 08-26 ★ ☆ ★ *August 19, 2026*

Credit Union Department
914 East Anderson Lane
Austin, Texas 78752
Phone: **512-837-9236**
Fax: **512-832-0278**
Email: **cudmail@cud.texas.gov**
Web Site: **www.cud.texas.gov**

The Credit Union Department (CUD) is the state agency that regulates and supervises credit unions chartered by the State of Texas. The Department is professionally accredited by the National Association of State Credit Union Supervisors (NASCUS) certifying that CUD maintains the highest standards and practices in state credit union supervision.

*Our **Mission** is to safeguard the public interest, protect the interests of credit union members and promote public confidence in credit unions.*

* * * *

Credit Union Commission

The Commission is the policy making body for CUD. The Commission is a board of private citizens appointed by and responsible to the Governor of Texas.

Members:

Next Commission Meeting

Friday, August 7, 2026, beginning at 9:00 a.m. in the offices of CUD.

* * * *

Extended Examination Cycles – Larger Credit Unions

Beginning January 1, 2027, the Department will begin transitioning eligible, well-run credit unions to extended examination cycles, aligning with similar scheduling actions taken by the National Credit Union Administration. Credit unions that meet established eligibility criteria and hold more than $1 billion in assets will qualify for a fifteen-month examination interval. Eligibility will be determined by the institution's overall safety and soundness, the stability of key management positions, and the Department's scheduling needs.

These changes will be phased in gradually across multiple examination cycles rather than implemented for all eligible credit unions at once. This approach will ensure examination frequencies align with Department scheduling needs and that staff resources are allocated effectively.

~~~~~

Impermissible Investment Requirements

Texas-chartered credit unions are reminded of the strict limitations that apply when acquiring investments deemed impermissible under 7 TAC §91.803 and NCUA Part 703. Credit unions may rely on the limited exception available to Texas-chartered institutions only when all of the following conditions are met:

1) Funding an Employee Benefit Plan

The investment must be made for the express purpose of funding an employee benefit plan obligation. Investments made primarily for the credit union's own investment account, or that are not linked to a qualifying employee benefit plan, do not qualify for this exception.
~~~~~

Impermissible Investment Requirements (Continued)

2) Direct Relationship Requirement

The investment must be directly related to the credit union's actual or potential obligation under the employee benefit plan. To satisfy this requirement, a credit union must:

- Have the benefit plan formally in place or establish it concurrently with the investment.
- Quantify the projected cost of the benefit obligation using reasonable and supportable assumptions.
- Structure the investment so that its expected return is predictable over the relevant time horizon and does not exceed the projected cost of the benefit plan.
- Demonstrate that the investment is sized only to the amount necessary to meet the obligation.

3) Holding Period Limitation

- The credit union may hold the otherwise impermissible investment only for as long as it has an actual or potential obligation under the employee benefit plan. When an obligation ends, the credit union must promptly divest any excess or unnecessary portion of the investment. Continued holding after the obligation ends converts the investment to impermissible.

Investments that do not satisfy all three conditions above remain fully subject to the investment limitations applicable to Texas-chartered credit unions. This newsletter is for informational purposes and does not constitute legal advice. Credit unions should consult their own legal counsel and review the full text of applicable statutes and regulations.

~~~~~

Publication Deadlines

To meet the submission deadlines for the applicable issues of the *Texas Register*, it is necessary for the Department to establish the schedule shown below. Completed applications received after the deadline for the month cannot be published until the following month.

Publication Date	Application Deadline
September 2026	Friday, September 11
October 2026	Friday, October 16

~~~~~

Applications Approved

There were no applications approved.

Applications Received

The following applications were received and will be published on August 28, 2026, issue of the *Texas Register*.

Field of Membership

First Community CU (Houston) – Employees of Oliver, Inc., to be eligible for membership in the credit union.

Amplify CU (Austin) – Employees and other persons who utilize the services of Saint Louise House, to be eligible for membership in the credit union.

Amplify CU (Austin) – Employees and other persons who utilize the services of Jail to Jobs, to be eligible for membership in the credit union.

Merger or Consolidation

An application was received from **Southern Star Credit Union** (Houston), seeking approval to merge with **BP Federal Credit Union** (Houston), with the latter being the surviving credit union.

~~~~~

Upcoming Holiday Schedule for CUD

The Department's Office will be closed on Monday, September 7th in observance of Labor Day.

This newsletter is produced monthly as a part of the Department's continued communication outreach with the credit unions it regulates. Delivery is generally provided by electronic notification of its availability on the Department's website.

Suggestions and comments concerning the newsletter, or its content are welcomed.

~~~~~

To learn more about CUD click http://www.cud.texas.gov or contact us at 914 E. Anderson Lane, Austin, TX 78752