



Newsletter

No. 07-12



July 2012



Credit Union Department

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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:

Thomas F. Butler, Chair

Manuel Cavazos IV, Vice Chair

Gary L. Janacek

Dale E. Kimble

Sherri B. Merket

Allyson Morrow

Rob Kyker

Gary D. Tuma

A. John Yogerst

Next Commission Meeting

Friday, November 2, 2012 beginning at 8:00 a.m. in the offices of CUD.

Emergency Closings

The Department reminds credit unions that they have the discretion to remain open or to close in the event of a natural disaster or other emergency. A credit union that closes in an emergency situation must notify the Department of its actions by any means available and as promptly as conditions permit. Keep in mind, however, that a credit union may not close an office for more than three consecutive days, excluding days on which the credit union is customarily closed, without the commissioner's written approval.



Mobile Credit Union Services

Credit unions are frequently making strategic decisions on IT investments to leverage technology in their efforts to better serve existing members and attract new ones in a very competitive environment. These decisions, together with internal policies and operations, expose the credit union to increasing operational, reputation, and legal and regulatory risks in such areas as the safeguarding of member information and fraud prevention. This is particularly true with the greater use of all types of mobile credit union services. Mobile credit union services provide greater convenience for members as it allows them to accomplish tasks "on the go." However, these services are not without risks. Credit unions should ensure that their mobile credit union services are designed and offered in a secure manner, and members are made aware of steps they can take to protect the integrity of the mobile credit union transactions.



Response to Examination Report

The credit union's board of directors is responsible for ensuring that a review of the Department's examination report is completed and documented in the board meeting minutes. The board is also responsible for ensuring that appropriate action is taken to resolve the examination findings in a timely manner. In instances where there is a material disagreement over the findings or the proposed corrective actions, a written response should be submitted to the Department to document the areas of disagreement. The Department strives to work with the credit union's officials in a cooperative manner to ensure the examination findings are resolved. However, the failure to resolve material examination findings in a timely manner is grounds for the Department to take further administrative action against a credit union as specified in Chapter 122 of the Texas Finance Code.



Election Bylaw Review

Now that annual meeting and election season is over, credit unions should take time to review their bylaws and their nomination and election procedures. Each spring credit unions call the Department, having realized they missed the deadline for appointing a nominating committee. With the annual meeting already scheduled, options are few. Other credit unions call on the eve of their annual meeting asking for guidance on how the elections should be handled.

The standard bylaws address elections and also allow the board to establish policies on election procedures not specifically set out in bylaws, rules, or statute. Credit unions that spend time reviewing their bylaws well in advance of the annual meeting have the opportunity to formulate policies or amend bylaws, where appropriate, to meet the needs of the credit union and its membership.



Enhanced Version of Credit Union Online

Under the new system update of Credit Union Online it will allow credit unions to edit and delete the dates collected on the IS&T and Regulatory pages of the Profile. It is NCUA's intent to collect a history of dates in these sections of the Profile. For example, when a credit union completes the **Member Account Verification**, the credit union should **add** the current date, not edit the existing date. The system is designed to display the last five dates entered for each field (annual meeting, financial statement audit, etc.). If you have any questions, please contact Isabel Velasquez at (512) 837-9236.



Publication Deadlines

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

<u>Publication Date</u>	<u>Application Deadline</u>
August, 2012	Friday, August 10
September, 2012	Friday, September 14

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## ***Applications Approved***

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Applications approved since June 20, 2012 include:

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| <u>Credit Union</u> | <u>Changes or Groups Added</u> |
|---------------------|--------------------------------|
|---------------------|--------------------------------|

### *Field of Membership Changes – Approved:*

**Navy Army Community Credit Union (#2)** (Corpus Christi)  
**EECU** (Fort Worth) See Newsletter No. 10-11  
See Newsletter No. 04-12

### *Merger or Consolidation – Approved:*

**Commercial Metals FCU** (Irving) and **America's CU** (Garland) See Newsletter No. 04-12

### *Articles of Incorporation Change – Approved:*

**Beaumont Community Credit Union** (Beaumont) See Newsletter No. 05-12

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Applications Received

The following applications were received and will be published in the July 27, 2012 issue of the *Texas Register*.

Field of Membership Expansion:

Pegasus Community Credit Union (Dallas) -- To permit employees of DeGolyer and MacNaughton, who work in or are paid from Dallas, Texas, to be eligible for membership in the credit union.

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Applications Received

(Continued from Page 3)

SPCO Credit Union (Houston) -- To permit persons who live, work, worship or attend school within a 10-mile radius of the credit union office located at 2203 Timberloch Place, Suite 100, The Woodlands, TX 77380, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at http://www.cud.texas.gov/page/bylaw-charter_1. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.



Articles of Incorporation:

First Community Credit Union of Houston (Houston) – The credit union is proposing to change its name to First Community Credit Union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

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

