



# Newsletter

No. 10-15



October 21, 2015



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

Phone: 512-837-9236

Fax: 512-832-0278

Email: [info@cud.texas.gov](mailto:info@ cud.texas.gov)

Web Site: [www.cud.texas.gov](http://www.cud.texas.gov)

*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.*

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## **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:**

Manuel Cavazos IV, Chair  
Allyson "Missy" Morrow, Vice Chair  
Beckie Stockstill Cobb  
Yusuf E. Farran  
Steven "Steve" Gilman  
Sherri Brannon Merket  
Gary D. Tuma  
Kay Stewart  
Vik Vad

## **Next Commission Meeting**

*Friday, March 4, 2016 beginning at 9:00 a.m. in the offices of CUD.*

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## **NASCUS Directors' College**

Director education is an essential component of good governance and effective compliance practices for credit unions. The Industry, while quite strong, continues to face challenges and opportunities. One of the keys to successfully meeting these challenges and opportunities is to have credit union management and the directors fully informed of the issues, responsibilities, rules, and regulations.

To assist credit unions in this regard, the National Association of State Credit Union Supervisors (NASCUS) and the Cornerstone Credit Union League are sponsoring a one-day educational event designed to help state and federal credit unions stay abreast of issues that are currently impacting their institution's financial performance, corporate governance and risk management profiles. The school is scheduled on Tuesday, November 17, 2015 in San Antonio, Texas.

For more information, please contact NASCUS Vice President of Education Isaida Woo at [isaida@nascus.org](mailto:isaida@nascus.org).



## **Credit Union Online Filing Tips**

Credit unions are reminded that NCUA confirms submission of Call Report data and Online Profile updates with an email that indicates the date and time the uploaded information was accepted. In addition, the successfully uploaded information will trigger two additional emails containing important information related to: (1) a Historical Warning Report; and (2) the Financial Performance Report (FPR). The latest version of the Credit Union Online Instruction Guide can be downloaded by going to the NCUA's website or by clicking the Credit Union Online link.



## ***Cybersecurity***

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In light of the increasing volume and sophistication of cyber-threats, each credit union needs to identify their relevant risk, determine their cybersecurity posture and act upon it. That much is clear, but it is easier said than done. Credit unions need not only have an agreed methodology to work by, but also a tool to help them achieve that goal and properly assess their threat landscape, control maturity, and better prepare for the upcoming threats. To assist credit unions navigate the treacherous domains of cyberspace, the Federal Financial Institutions Examination Council (FFIEC) has developed a Cybersecurity Assessment Tool. ([Assessment Tool](#))

Although the Assessment Tool is not currently a “requirement,” and credit unions are free to use their own tools and frameworks, NCUA has stated that examiners will incorporate the Assessment Tool into its examinations starting in June 2016. Therefore, it is important that each credit union assess its levels of cybersecurity risk and preparedness. Once the credit union understands its inherent risks and maturity levels, it should develop a list of next-steps to improve gaps that have been identified. Examiners will not expect full compliance with these identified cybersecurity controls by June 2016, but there will certainly be an expectation that each credit union start making steps toward the identified goals.



## ***Regulation E and the Disclosure of Fees***

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Congress passed the Electronic Fund Transfer Act (EFTA) (15 U.S.C. 1693 et seq.) of 1978 to protect individual consumers engaging in electronic fund transfers (EFTs). EFT services include transfers through automated teller machines, point-of-sale terminals, automated clearinghouse systems, telephone bill-payment plans in which periodic or recurring transfers are contemplated, and remote banking programs. The EFTA is implemented through Regulation E, which includes an official staff commentary.

In 2009, the Federal Reserve Board amended Regulation E to prohibit institutions from charging overdraft fees for ATM and point of sale transactions unless the consumer affirmatively consents. The Dodd-Frank Act transferred rule-making authority under the EFTA from the Federal Reserve Board to the Consumer Financial Protection Bureau (CFPB) and, with respect to entities under its jurisdiction, granted authority to the CFPB to supervise and enforce compliance with EFTA and its implementing regulations. In February 2012, the CFPB amended Regulation E to provide protections, including disclosures and error resolution and cancellation rights, to consumers who send remittance transfers to other consumers or businesses in a foreign country.

The requirements of Regulation E apply only to accounts for which there is an agreement for EFT services to or from the account between (i) the consumer and the credit union or (ii) the consumer and a third party, when the account-holding credit union has received notice of the agreement and the fund transfers have begun.

Continued on page 3

## Regulation E and the Disclosure of Fees

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Continued from page 2

A credit union must disclose all fees for EFTs or for the right to make EFTs [12 CFR 1005.7(b)(5)]. Other fees, for example, minimum-balance fees, stop-payment fees, account overdrafts, or ATM inquiry fees, may, but need not, be disclosed under Regulation E. A per-item fee for EFTs must be disclosed even if the same fee is imposed on non-electronic transfers. If a per-item fee is imposed only under certain conditions, such as when the transactions in the cycle exceed a certain number, those conditions must be disclosed. Itemization of the various fees may be on the disclosure statement or on an accompanying document referenced in the statement. Additionally, a credit union must disclose that networks used to complete the EFT, as well as an ATM operator, may charge a fee for an EFT or for balance inquiries [12 CFR 1005.7(b)(11)].



## Publication Deadlines

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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>
November, 2015	Friday, November 13
December, 2015	Friday, December 11



## Applications Approved

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Applications approved since September 16, 2015 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
<i>Field of Membership Change – Approved:</i>	
<b>Scott and White Employees Credit Union</b> (Temple)	See Newsletter No. 07-15
<b>West Texas Educators Credit Union</b> (Odessa)	See Newsletter No. 07-15
<b>Rio Grande Valley Credit Union</b> (Harlingen)	See Newsletter No. 08-15
<i>Merger or Consolidation – Withdrawn:</i>	
<b>Federal Employees CU and FCI FCU</b> (Texarkana)	See Newsletter No. 05-15

Continued on page 4

## ***Applications Received***

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Continued from page 3

The following application was received and will be published in the October 30, 2015 issue of the Texas Register.

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### ***Merger or Consolidation:***

An application was received from **America's Credit Union** (Garland) seeking approval to merge with **Defense Contracts South Federal Credit Union** (Dallas). America's Credit Union will be the surviving 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.

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*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.*

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

