



Newsletter

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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:

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. at the Texas State Capitol Extension, Room E2.030, 1100 North Congress Avenue, Austin, Texas.

Limited Stop Payment Privileges Under the ETFA

The general rule is that if a member uses an electronic fund transfer, the Electronic Fund Transfer Act (EFTA), 15 USC 1693 et seq., does not give the member the right to stop payment. If the member's purchase is defective or the member's order is not delivered, it is as if the member paid cash: it is up to the member to resolve the problem with the seller and get his or her money back. There is, however, one exception to this general rule. If the member arranged for recurring payments out of the member's account to third parties, such as insurance companies or utilities, the member can stop payment if the member notifies the credit union at least three (3) business days before the scheduled transfer. *The notice can be written or oral, but the credit union may require a written follow-up within fourteen (14) days of an oral notice.* If the member does not follow-up in writing after required by a credit union, the credit union's responsibility to stop payment ends.



CUSO Registry

As a reminder, back in November 2013, the NCUA Board adopted changes to the regulations (12 CFR Parts 712 and 741) that address federally insured credit unions' responsibilities when involved with a credit union service organization (CUSO). Among the various amendments is a new requirement for all CUSOs to register with NCUA beginning in 2016. It is our understanding that the online registry should be available to CUSOs through the NCUA website with the initial registration period beginning February 1, 2016 and ending March 31, 2016. Credit unions that have an investment in or a loan to a CUSO may stay abreast of communications related to this matter, by monitoring the NCUA's *CUSO Registry* [webpage](#).



Board Meeting Attendance

The issue of attendance of credit union directors is a tricky one. After all, board members are volunteers with their own jobs, families, and busy lives to balance in addition to the voluntary obligations of their credit union board. However, missed meetings seriously diminish the effectiveness of the entire board, and a director's irregular or inconsistent meeting attendance could run up against Texas state law. Texas Finance Code Section 122.055 provides that the office of a director becomes vacant if the director has been absent from more meetings than the total number of absences permitted by commission rule. In turn, 7 TAC Section 91.501 specifies that any director who fails to attend three consecutive regularly scheduled meetings without an excuse approved by a majority vote of the board, or who fails to attend six regularly scheduled meetings during any twelve-month period following the director's election or appointment is automatically removed from office. It should be noted that these provisions are self-executing and self-operative so once a director misses either of the prescribed number of meetings, the position is vacant and there is nothing the board can do except fill the vacancy with a new person. As a result, it is important for board minutes for the meeting(s) missed to reflect if a director's absence is excused or not excused. The lack of a record of an affirmative vote by the board is construed as an unexcused absence.



Upcoming Holiday Schedule for CUD

The Department's office will be closed on **February 15th** in observance of President's Day.



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>
February, 2016	Friday, February 12
March, 2016	Friday, March 11



Applications Approved

There were no applications approved.



Applications Received

The following applications were received and will be published in the January 29, 2016 issue of the Texas Register.

Field of Membership Expansion:

First Service Credit Union (Houston) – To permit persons who live, work, attend school or worship in Montgomery County, Texas, to be eligible for membership in the credit union.

First Basin Credit Union (Odessa) – To permit persons who live in, worship in, attend school in, or work in Lubbock County, Texas, 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-applications>. 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 Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas, 78752-1699.

Articles of Incorporation:

Corpus Christi City Employees Credit Union (Corpus Christi) – The credit union is proposing to change its name to Bridge 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

WINTER HAS ARRIVED

