



# Newsletter

No. 08-16



August 17, 2016



## 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.*

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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  
Sherrri Brannon Merket  
Gary D. Tuma  
Kay Stewart  
Vik Vad

## Next Commission Meeting

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

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## Department Receives National Accreditation

The Department has received professional accreditation from the National Association of Credit Union Supervisors (NASCUS), certifying that the Department maintains the highest standards and practices in credit union supervision.

The NASCUS Accreditation Program identifies credit union departments that serve the citizens of their state by operating a capable and professional regulatory program. The Department is required to complete annual reviews to maintain its accredited status and also undergo a complete re-accreditation process every five years. The Department was first accredited in 1996 and has maintained its accreditation for twenty years.

The rigorous accreditation process begins with a self-evaluation, which reviews all aspects of the department's operations, its mission, policies, procedures, funding, and statutory authority. A review team of veteran state regulators visits the department to determine whether it can effectively fulfill its responsibility of chartering, regulating and supervising the state's credit unions. The review team reports its findings and makes a recommendation to NASCUS's Performance Standards Committee, which votes on the final accreditation decision.



## Operating Fee

During the week of August 29<sup>th</sup>, invoices for the first installment of the Operating Fee for Fiscal Year 2017 will be mailed to all credit unions. All fees must be received on or before **September 30, 2016** to avoid the payment of any penalties. If you do not receive an invoice, please contact Isabel Velasquez at (512) 837-9236.



## ***Financial Services Information Sharing and Analysis Center (FS-ISAC)***

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In 1998, Information Sharing and Analysis Centers were created as a result of Presidential Decision Directive 63. The directive requested that both the public and private sectors create a partnership to share information about physical and cyber threats, vulnerabilities, and events to help protect the critical infrastructure of the United States. In early 2013, the FS-ISAC board of directors approved an extended charter to include information sharing for financial services entities world-wide. The FS-ISAC gathers threat, vulnerability, and risk information about cyber and physical security risks faced by the financial services sector around the world. After analysis by industry experts, alerts are delivered to FS-ISAC participants.

The Department encourages credit unions to become members of FS-ISAC. For more information, visit <http://www.fsisac.com/>.

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## ***Fair Labor Standards Act Changes***

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The U.S. Department of Labor has enacted significant amendments to the federal Fair Labor Standards Act ("FLSA") that take effect December 1, 2016. Many credit union employees are currently classified as exempt under the FLSA's Section 13(a)(1), 29 C.F.R. Part 541, exemption which applies to bona fide executive, administrative, and professional ("EAP") workers. Exempt employees are not subject to the FLSA's overtime provisions. Nonexempt employees are subject to the FLSA's overtime provisions; for nonexempt employees, credit unions must pay overtime at a rate of 1.5 hours to each hour of overtime worked, limit those nonexempt workers' hours to 40 per week, or some combination of those options. Effective December 1, 2016, the key FLSA provisions are:

1. raising the salary threshold under which most EAP workers must meet in order to be exempt under the FLSA to **\$47,476 for a full-year worker** (up from \$23,660 a year);
2. establishing a mechanism for automatically updating the salary and compensation levels every three years, beginning on January 1, 2020 (**the projected minimum amount for 2020 is \$50,000**); and
3. increasing the total annual compensation threshold for the "highly compensated" exemption to \$134,004.

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## ***NASCUS/CUNA BSA Conference***

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OFAC. FinCEN. AML. BSACS — and more. Credit unions know the acronyms — they must live by the procedures, protocols and standards for which they stand. But how does your credit union keep up with the changes? To provide assistance in this regard, NASCUS, in partnership with CUNA, is sponsoring a forum, in San Antonio, for discussing and learning about the very latest on the complex federal BSA laws. For more information, visit: **[Bank Secrecy Act Conference - November 13-16](#)**.

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## ***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.

### **Publication Date**

### **Application Deadline**

September, 2016

Friday, September 16

October, 2016

Friday, October 14

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## ***Applications Approved***

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Applications approved since July 20, 2016 include:

### **Credit Union**

### **Changes or Groups Added**

*Field of Membership Change – Denied:*

EECU (Fort Worth)

See Newsletter No. 04-16

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## ***Applications Received***

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There were no applications received.

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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.*



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

