

FINANCE CODE

TITLE 2. FINANCIAL REGULATORY AGENCIES

CHAPTER 15. CREDIT UNION COMMISSION AND DEPARTMENT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 15.001. DEFINITIONS. (a) In this chapter, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) The definitions provided by Section 121.002 apply to this chapter.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(a), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 1, eff. September 1, 2009.

SUBCHAPTER B. DEPARTMENT

Sec. 15.101. COMPOSITION OF DEPARTMENT. The department is composed of:

- (1) the commission;
- (2) the commissioner; and
- (3) other department officers and employees.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.102. REGULATION OF CREDIT UNIONS. The department shall supervise and regulate credit unions as provided by this chapter and Subtitle D, Title 3.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.103. STUDY OF STATUTES. The department periodically shall comprehensively study the statutes of this state as they pertain to credit union operations.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.104. NOTIFICATION AND GUIDANCE ON ADOPTION OF CERTAIN FEDERAL LAWS OR REGULATIONS. The department shall promptly notify and issue guidance to all credit unions chartered in this state on the adoption of a federal law or regulation that:

- (1) affects a power or authority conferred to credit unions under Section 123.003(a);
- (2) takes effect immediately; and
- (3) conflicts with state law.

Added by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 1, eff. September 1, 2021.

SUBCHAPTER C. COMPOSITION OF COMMISSION

Sec. 15.201. APPOINTMENT; TERMS. (a) The commission is composed of nine members appointed by the governor with the advice and consent of the senate.

(b) Commission members serve staggered terms of six years, with the terms of one-third of the members expiring February 15 of each odd-numbered year.

(c) Appointments to the commission shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.06(a), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 2, eff. September 1, 2009.

Sec. 15.202. GENERAL QUALIFICATIONS OF COMMISSION MEMBERS.

(a) No two commission members may be residents of the same state senatorial district.

(b) A person may not be a member of the commission if:

- (1) the person is an officer, employee, or paid consultant of a Texas trade association in the financial institutions field; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the financial institutions field.

(c) A person may not be a member of the commission if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the department.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(b), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 3, eff. September 1, 2009.

Sec. 15.203. QUALIFICATIONS OF INDUSTRY COMMISSION MEMBERS. (a) Four commission members must be individuals who:

(1) have five years or more of active experience as a director, officer, or committee member of a credit union that:

(A) is organized and doing business in this state under Subtitle D, Title 3, or the Federal Credit Union Act (12 U.S.C. Section 1751 et seq.); and

(B) has its principal office in this state; and

(2) are engaged in exercising the powers and duties of a director, officer, or committee member of such a credit union.

(b) Experience as a commissioner, deputy commissioner, or examiner is equivalent to the experience required by Subsection (a).

(c) Not more than one individual from a federal credit union may serve on the commission at any time.

(d) An individual who ceases to be engaged in exercising the powers and duties prescribed by this section for a period exceeding 90 days becomes ineligible to serve as a commission member, and the individual's position on the commission becomes vacant.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(c), eff. Sept. 1, 1999.

Sec. 15.204. QUALIFICATIONS OF PUBLIC COMMISSION MEMBERS.

(a) Five commission members must be representatives of the public. A person is not eligible for appointment as a public member of the commission if the person or the person's spouse:

(1) is employed by or participates in managing or directing:

(A) a financial institution; or

(B) an organization, other than a financial institution, regulated by or receiving money from a financial institution regulatory agency;

(2) has, other than as a member or customer, a financial interest in:

(A) a financial institution; or

(B) an organization, other than a financial institution, regulated by or receiving money from a financial institution regulatory agency; or

(3) uses or receives a substantial amount of tangible goods, services, or money from the department, other than compensation or reimbursement authorized by law for commission membership, attendance, or expenses.

(b) The governor shall appoint public commission members on the basis of recognized business ability.

(c) In this section, "financial institution" includes an institution such as a credit union, bank, savings bank, or savings and loan association.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(d), eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 87, Sec. 1, eff. Sept. 1, 1999.

Sec. 15.2041. TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a member of the commission may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing department operations;

(2) the programs, functions, rules, and budget of the

department;

(3) the scope of and limitations on the rulemaking authority of the commission;

(4) the results of the most recent formal audit of the department;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to members of a state policy-making body in performing their duties; and

(6) any applicable ethics policies adopted by the department or the Texas Ethics Commission.

(c) A person appointed to the commission is entitled to reimbursement under Section 15.207, as if the person were a member of the commission, for travel expenses incurred in attending the training program, regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The commissioner shall create a training manual that includes the information required by Subsection (b). The commissioner shall distribute a copy of the training manual annually to each commission member. Each commission member shall sign and submit to the commissioner a statement acknowledging that the commission member received and has reviewed the training manual.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.07(a), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 4, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1317 (H.B. 2774), Sec. 28(e), eff. September 1, 2009.

Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 2, eff. September 1, 2021.

Sec. 15.205. VACANCIES. The office of a commission member becomes vacant:

(1) on the death, resignation, or removal of the member; or

(2) if the member ceases to have the qualifications required for service as a member.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.08(a), eff. Sept. 1, 1999.

Sec. 15.206. REMOVAL. (a) A ground for removal of a commission member by the governor exists if a member:

(1) neglects the member's duty;

(2) is incompetent; or

(3) commits fraudulent or criminal conduct.

(b) It is a ground for removal from the commission that a member:

(1) does not have at the time of taking office the qualifications required by Sections 15.202, 15.203, and 15.204;

(2) does not maintain during service on the commission the applicable qualifications required by Sections 15.202, 15.203, and 15.204;

(3) is ineligible for membership under Section 15.202, 15.203, or 15.204;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled commission meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the commission.

(c) The validity of an action of the commission is not affected by the fact that it is taken when a ground for removal of a commission member exists.

(d) If the commissioner has knowledge that a potential ground for removal exists, the commissioner shall notify the presiding officer of the commission of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the

commissioner shall notify the next highest ranking officer of the commission, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.08(b), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 5, eff. September 1, 2009.

Sec. 15.207. EXPENSES AND COMPENSATION OF COMMISSION MEMBERS. (a) A commission member may not receive compensation or a benefit because of the member's service on the commission except as provided by Subsection (b).

(b) For each day that a commission member engages in the business of the commission, the member is entitled to:

- (1) per diem, including compensatory per diem;
- (2) actual expenses for meals and lodging; and
- (3) transportation expenses.

(c) Repealed by Acts 2009, 81st Leg., R.S., Ch. 1317, Sec. 28(i), eff. September 1, 2009.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1317 (H.B. 2774), Sec. 28(i), eff. September 1, 2009.

Sec. 15.208. MATTER IN WHICH COMMISSION MEMBER HAS PERSONAL INTEREST. (a) A commission member may not act on a matter under the commission's consideration that directly affects a credit union of which the member is an officer, director, or member.

(b) The commission shall adopt rules relating to recusal of members, requiring that a member who has a personal or private interest in a measure, proposal, or decision pending before the commission shall publicly disclose the fact to the commission at a meeting held in compliance with Chapter 551, Government Code. The member may not vote or otherwise participate in the decision. The disclosure shall be entered into the minutes of the meeting.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended

by Acts 1999, 76th Leg., ch. 62, Sec. 7.09(a), eff. Sept. 1, 1999.

Sec. 15.209. MEETINGS. (a) The commission shall hold at least two regular meetings each year.

(b) The chairman, the commissioner, or five commission members may call a special meeting of the commission.

(c) The commission shall adopt reasonable rules governing a meeting, including rules relating to the:

(1) time and place of a meeting;

(2) conduct of a meeting; and

(3) form of the minutes.

(d) The commission is subject to the:

(1) open meetings law, Chapter 551, Government Code; and

(2) administrative procedure law, Chapter 2001, Government Code.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.09(b), eff. Sept. 1, 1999.

Sec. 15.210. PRESIDING OFFICER. The governor shall designate a member of the commission as the presiding officer of the commission to serve in that capacity at the pleasure of the governor.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.09(c), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 6, eff. September 1, 2009.

Sec. 15.211. SUIT FOR OFFICIAL ACT OR OMISSION. (a) The attorney general shall defend an action brought against a commission member or an officer or employee of the commission because of the person's official act or omission regardless of whether the individual is a member, officer, or employee of the commission at the time the action is initiated.

(b) A suit against the commission or its officers or employees may be brought only in Travis County.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.212. SUNSET PROVISION. The Credit Union Department and the Credit Union Commission are subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department and commission are abolished September 1, 2035.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.04(b), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 7, eff. September 1, 2009.

Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 3, eff. September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 941 (S.B. 1659), Sec. 3.05, eff. June 18, 2023.

SUBCHAPTER D. COMMISSIONER AND OTHER EMPLOYEES OF COMMISSION

Sec. 15.301. COMMISSIONER. (a) The commission shall appoint a commissioner by affirmative vote of two-thirds of the membership of the commission.

(b) The commissioner serves at the will of the commission.

(c) The commissioner is an employee of the commission and is subject to the commission's orders and directions.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.302. QUALIFICATIONS OF COMMISSIONER. (a) The commissioner must have at least five years' practical experience in the operation of credit unions during the 10 years preceding the commissioner's appointment.

(b) The experience required by this section may consist of experience:

(1) in exercising the powers and duties of a director, officer, or committee member of a credit union; or

(2) in the employment of a credit union regulatory agency.

(c) A person may not be appointed commissioner if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the financial institutions field; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the financial institutions field.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 8, eff. September 1, 2009.

Sec. 15.303. DEPUTY COMMISSIONER. (a) Subject to the commission's approval, the commissioner may appoint a deputy commissioner, who must have the qualifications required of the commissioner.

(b) The deputy commissioner serves at the will of the commissioner and, at the commissioner's direction, may exercise the powers and prerogatives of the commissioner.

(c) The deputy commissioner is an employee of the commission and is subject to the commission's orders and directions.

(d) During the commissioner's absence or inability to act, the deputy commissioner shall perform the commissioner's duties.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.304. EXAMINERS. (a) The commissioner shall appoint a sufficient number of credit union examiners to perform fully the duties imposed by the laws of this state.

(b) Appointment of an examiner is subject to recruitment specifications and qualifications approved by the commission.

(c) An examiner is an employee of the commission and is subject to the commission's orders and directions.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.305. GENERAL COUNSEL. A person may not act as the general counsel to the commission or the department if the person is required to register as a lobbyist under Chapter 305, Government

Code, because of the person's activities for compensation on behalf of a profession related to the operation of the department.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(e), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 9, eff. September 1, 2009.

Sec. 15.306. OATH. Before assuming the duties of office, the commissioner, the deputy commissioner, each examiner, and each other officer or employee of the commission must take an oath of office approved by the commission.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 285, Sec. 8, eff. Sept. 1, 2003.

Sec. 15.307. OFFICERS OF COMMISSION AND DEPARTMENT. Each officer of the commission and department, except a commission member, is an employee of the commission and is subject to the commission's orders and directions.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.309. INTRA-AGENCY CAREER LADDER. (a) The commissioner or a person designated by the commissioner shall develop an intra-agency career ladder program that addresses opportunities for mobility and advancement for employees within the department.

(b) The program must require intra-agency posting of all non-entry-level positions concurrently with public posting.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.12(a), eff. Sept. 1, 1999.

Sec. 15.310. PERFORMANCE EVALUATION. (a) The commissioner or a person designated by the commissioner shall develop a system of annual performance evaluations that are based on documented employee performance.

(b) Merit pay for department employees must be based on the system established under this section.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.12(b), eff. Sept. 1, 1999.

Sec. 15.311. QUALIFICATIONS OF EMPLOYEES. A person may not be a department employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the financial institutions field; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the financial institutions field.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.05(f), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 10, eff. September 1, 2009.

Sec. 15.312. INFORMATION PROVIDED TO MEMBERS AND EMPLOYEES. The commissioner or the commissioner's designee shall provide to members of the commission and to department employees, as often as necessary, information regarding their qualification for office or employment under this chapter and their responsibilities under applicable laws relating to standards of conduct for state officers or employees.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.11(a), eff. Sept. 1, 1999.

Sec. 15.313. EQUAL EMPLOYMENT OPPORTUNITY POLICY. (a) The commissioner or a person designated by the commissioner shall prepare and maintain a written policy statement to assure implementation of a program of equal employment opportunity under which all personnel transactions are made without regard to race, color, disability, sex, religion, age, or national origin. The

policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, appointment, training, and promotion of personnel that comply with requirements of Chapter 21, Labor Code;

(2) a comprehensive analysis of the department workforce that meets federal and state law, including rules and regulations, and instructions adopted directly from that law;

(3) procedures by which a determination can be made about the extent of underuse in the department workforce of all persons for whom federal or state laws, including rules and regulations, and instructions adopted directly from that law, encourage a more equitable balance; and

(4) reasonable methods to appropriately address those areas of underuse.

(b) A policy statement prepared under Subsection (a) must:

(1) cover an annual period;

(2) be updated annually and reviewed by the Commission on Human Rights for compliance with Subsection (a)(1); and

(3) be filed with the governor's office.

(c) The governor's office shall deliver a biennial report to the legislature based on the information received under Subsection (b). The report may be made separately or as a part of other biennial reports made to the legislature.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.13(a), eff. Sept. 1, 1999.

SUBCHAPTER E. POWERS AND DUTIES OF COMMISSION AND COMMISSIONER

Sec. 15.401. SUPERVISION OF COMMISSIONER. The commission shall supervise, consult with, and advise the commissioner.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.4011. CREDIT UNION DEPARTMENT BUILDING. The commission shall have charge and control of the property known as the Credit Union Department Building and use of staff, equipment, and facilities of the department. The Credit Union Department

Building refers to the property located in the city of Austin and titled in the name of the State of Texas for the use and benefit of the Credit Union Department, as described by deed recorded in Volume 6126, Page 27, of the Deed Records of Travis County, Texas. Added by Acts 2009, 81st Leg., R.S., Ch. 1317 (H.B. 2774), Sec. 28(f), eff. September 1, 2009.

Sec. 15.402. ADOPTION OF RULES. (a) The commission may adopt reasonable rules necessary to administer this chapter and to accomplish the purposes of Subtitle D, Title 3.

(b) In adopting rules under this section, the commission may regulate and classify credit unions according to criteria that the commission determines are appropriate and necessary to accomplish the purposes of this chapter and Subtitle D, Title 3, including the:

- (1) character of field of membership;
- (2) amount of assets;
- (3) number of members; and
- (4) financial condition.

(b-1) In adopting rules under this section, the commission shall consider the need to:

- (1) promote a stable credit union environment;
- (2) provide credit union members with convenient, safe, and competitive services;
- (3) preserve and promote the competitive parity of credit unions with regard to other depository institutions consistent with the safety and soundness of credit unions; and
- (4) promote or encourage economic development in this state.

(c) The commission by rule shall establish reasonable and necessary fees for the administration of this chapter and Subtitle D, Title 3.

(d) The presence or absence in this chapter or Subtitle D, Title 3, of a specific reference to rules regarding a particular subject does not enlarge or diminish the rulemaking authority provided by this section.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 157, Sec. 2, eff. Sept. 1, 1999; Acts

2003, 78th Leg., ch. 533, Sec. 1, eff. Sept. 1, 2003.

Sec. 15.4021. RECEIPT OF PUBLIC COMMENTS; NOTICE OF COMMISSION ACTIVITIES. (a) The commission shall develop and implement policies that provide the public with a reasonable opportunity to appear before the commission and to speak on any issue under the jurisdiction of the department.

(b) The commission shall adopt rules providing for public notice of department activities.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.10(a), eff. Sept. 1, 1999.

Sec. 15.4022. RULES RELATING TO COMPETITIVE BIDDING AND ADVERTISING. (a) The commission may not adopt rules restricting competitive bidding or advertising by a credit union except to prohibit false, misleading, or deceptive practices.

(b) In its rules to prohibit false, misleading, or deceptive practices, the commission may not include a rule that:

(1) restricts the use of any medium for advertising;

(2) relates to the size or duration of an advertisement by the credit union; or

(3) restricts the credit union's advertisement under a trade name.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.10(a), eff. Sept. 1, 1999.

Sec. 15.4023. SEPARATION OF RESPONSIBILITIES. The commission shall develop and implement policies that clearly separate the policy-making responsibilities of the commission and the management responsibilities of the commissioner and the staff of the department.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.10(a), eff. Sept. 1, 1999.

Sec. 15.4025. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION POLICY. (a) The commission shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008, Government Code, for the adoption of department rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the department's jurisdiction.

(b) The department's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The commission shall designate a trained person to:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures, as implemented by the department.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 11, eff. September 1, 2009.

Redesignated from Finance Code, Section 15.4024 by Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 27.001(11), eff. September 1, 2011.

Sec. 15.403. SUPERVISION AND REGULATION OF CREDIT UNIONS.

(a) The commissioner shall supervise and regulate a credit union doing business in this state, other than a federal credit union, in accordance with this chapter and Subtitle D, Title 3, including rules adopted under this chapter and Subtitle D, Title 3.

(b) To the extent necessary to the department's authority to supervise and regulate credit unions under this chapter and Subtitle D, Title 3, the commissioner may require each credit union to conduct business in compliance with federal laws that apply to credit unions.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 533, Sec. 2, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 19 (S.B. 244), Sec. 1, eff. September 1, 2013.

Sec. 15.4031. CREDIT UNION COMMISSIONER HEARING. (a) The commissioner may convene a hearing to receive evidence and argument regarding any matter under this chapter or Subtitle D, Title 3, before the commissioner for decision or review. The hearing must be conducted under Chapter 2001, Government Code. A matter made confidential by law must be considered by the commissioner in a closed hearing.

(b) A hearing officer may conduct any hearing on behalf of the commissioner.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 3, eff. Sept. 1, 2003.

Sec. 15.4032. EXAMINATION OF RELATED ENTITIES. (a) In accordance with rules adopted by the commission, the commissioner may examine, to the same extent as if the services or activities were performed by a credit union on its own premises:

(1) a credit union service organization in which a credit union has a material interest;

(2) an organization engaged primarily in the business of managing one or more credit unions; and

(3) a third-party contractor providing electronic data processing, electronic fund transfers, or other member services on behalf of a credit union.

(b) The commissioner may collect a fee from an examined contractor or organization in connection with each examination to cover the cost of the examination or may collect that fee from the credit unions that use the examined contractor.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 3, eff. Sept. 1, 2003.

Sec. 15.404. ADMINISTRATION AND ENFORCEMENT OF STATUTES AND RULES. The commissioner shall administer and enforce this chapter and Subtitle D, Title 3, and rules adopted under this chapter and Subtitle D, Title 3.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended

by Acts 2003, 78th Leg., ch. 533, Sec. 4, eff. Sept. 1, 2003.

Sec. 15.4041. ISSUANCE OF INTERPRETIVE STATEMENTS. (a) The commissioner may issue interpretive statements containing matters of general policy to guide the public and credit unions, and may amend or repeal a published interpretive statement by issuing an amended statement or notice of repeal of a statement.

(b) An interpretive statement may be disseminated by newsletter, through an electronic medium such as the Internet, in a volume of statutes or related materials published by the commissioner or others, or by any other means reasonably calculated to notify persons affected by the interpretive statement. Notice of an amended or withdrawn statement must be disseminated in a substantially similar manner as the affected statement was originally disseminated.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 5, eff. Sept. 1, 2003.

Sec. 15.4042. ISSUANCE OF OPINION. (a) In response to a specific request from a member of the public or the credit union industry, the commissioner may issue an opinion directly or through the deputy commissioner or a department attorney.

(b) If the commissioner determines that the opinion is useful for the general guidance of the public or credit unions, the commissioner may disseminate the opinion by newsletter, through an electronic medium such as the Internet, in a volume of statutes or related materials published by the commissioner or others, or by any other means reasonably calculated to notify persons affected by the opinion. A published opinion must be redacted to preserve the confidentiality of the requesting party unless the requesting party consents to be identified in the published opinion.

(c) The commissioner may amend or repeal a published opinion by issuing an amended opinion or notice of repeal of an opinion and disseminating the opinion or notice in a substantially similar manner as the affected opinion was originally disseminated. The requesting party may rely on the original opinion if:

(1) all material facts were originally disclosed to the commissioner;

(2) the safety and soundness of the affected credit union will not be endangered by further reliance on the original opinion; and

(3) the text and interpretation of relevant governing provisions of this chapter or Subtitle D, Title 3, have not been changed by legislative or judicial action.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 5, eff. Sept. 1, 2003.

Sec. 15.4043. EFFECT OF INTERPRETIVE STATEMENT OR OPINION. An interpretive statement or opinion issued under this subchapter does not have the force of law and is not a rule for the purposes of Chapter 2001, Government Code, unless adopted by the commission as provided by Chapter 2001, Government Code. An interpretive statement or opinion is an administrative construction of this chapter or Subtitle D, Title 3, may be relied on by credit unions authorized to engage in business in this state, and is entitled to great weight if the construction is reasonable and does not conflict with this chapter or Subtitle D, Title 3.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 5, eff. Sept. 1, 2003.

Sec. 15.4044. FEES. The department may charge a late fee against a credit union for late payment of its operating fees.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 12, eff. September 1, 2009.

Sec. 15.405. LEGISLATIVE RECOMMENDATIONS. The commissioner shall report the department's legislative recommendations to the legislature for consideration.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.406. ATTENDANCE AT COMMISSION MEETINGS; VOTING. The commissioner shall attend meetings of the commission but may not vote at a meeting.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.407. OFFICIAL COMMITTEES. The chairman may appoint individuals who are not commission members to serve on official

committees that are charged with evaluating industry methods or problems and presenting formal recommendations to the commission for possible action. The individuals appointed are entitled to reimbursement for reasonable and necessary expenses incidental to travel incurred in connection with the performance of official duties.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 1158, Sec. 7, eff. Sept. 1, 2001.

Sec. 15.408. CONSUMER COMPLAINTS. (a) The department shall maintain a system to promptly and efficiently act on complaints filed with the department. The department shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) The department shall make information available describing its procedures for complaint investigation and resolution.

(c) The department shall periodically notify the complaint parties of the status of the complaint until final disposition unless the notice would jeopardize an investigation.

Redesignated from Finance Code Sec. 15.409(b), (c), and (d) and amended by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 4, eff. September 1, 2021.

Sec. 15.4081. COMPLAINT TRACKING; ANNUAL STATISTICAL ANALYSIS. (a) To help identify and address regulatory issues and constraints, the department shall track all phases of the complaint and enforcement processes, including the receipt, investigation, and disposition of complaints. The department shall maintain the following information for each complaint:

(1) the basis for the complaint;

(2) the origin of the complaint, including whether the complaint was issued from:

(A) another regulatory agency;

(B) a credit union member;

(C) a credit union employee;

- (D) a member of the public; or
- (E) a public or private entity;
- (3) the number of days taken to resolve the complaint from the date the complaint was received; and
- (4) the disposition of the complaint, including:
 - (A) if no disciplinary action was taken, the reasons no disciplinary action was taken;
 - (B) if disciplinary action was taken, the type of disciplinary action taken, including the amount of any administrative penalty or late fee;
 - (C) if dismissed or referred to another agency, the details regarding dismissal or referral; and
 - (D) if ongoing, the current status of the complaint.

(b) The department shall annually compile a statistical analysis of the department's complaint and enforcement processes for the preceding fiscal year. The analysis must include:

- (1) the total number of complaints filed with the department against credit unions;
- (2) the number of open investigations at the end of the fiscal year;
- (3) the number of complaints that were resolved, disaggregated by:
 - (A) the source of the complaint;
 - (B) the type of alleged violation;
 - (C) jurisdictional and non-jurisdictional complaints;
 - (D) regulatory and nonregulatory complaints; and
 - (E) the disposition and type of action taken, including any administrative penalty or late fee assessed; and
- (4) the average number of days taken to resolve a complaint, including complaints that were resolved through an examination of a credit union.

Added by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 5, eff. September 1, 2021.

Sec. 15.409. CONSUMER INFORMATION. (a) The commissioner

shall:

(1) supervise the preparation of public interest information describing:

- (A) functions of the department;
- (B) procedures for filing and resolving complaints; and
- (C) other matters of general interest relating to credit unions; and

(2) make the information prepared under Subdivision (1) available to the public and appropriate state agencies.

(b) Redesignated by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 4, eff. September 1, 2021.

(c) Redesignated by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 4, eff. September 1, 2021.

(d) Redesignated by Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 4, eff. September 1, 2021.

(e) The commission by rule shall establish methods by which consumers and service recipients are notified of the name, mailing address, telephone number, and Internet website of the department for the purpose of directing complaints to the department. The commission shall provide for that notification:

(1) on the Internet website of a credit union regulated under this chapter and Subtitle D, Title 3, if the credit union maintains a website;

(2) on a sign prominently displayed in the place of business of each credit union regulated under this chapter and Subtitle D, Title 3; and

(3) in any newsletter distributed by a credit union regulated under this chapter and Subtitle D, Title 3, if the credit union distributes a newsletter.

(f) The commission by rule may establish other methods by which credit unions that do not have an Internet website or do not distribute a newsletter may make the information described by Subsection (e) more readily available to credit unions' customers and service recipients.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.11(c), eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. 2735), Sec. 13, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 19 (S.B. 244), Sec. 2, eff. September 1, 2013.

Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 4, eff. September 1, 2021.

Acts 2021, 87th Leg., R.S., Ch. 300 (S.B. 707), Sec. 6, eff. September 1, 2021.

Sec. 15.4091. ACCESS TO DEPARTMENT FACILITIES, PROGRAMS, AND SERVICES. (a) The department shall comply with federal and state laws related to program and facility accessibility.

(b) The commissioner shall prepare and maintain a written plan that describes how a person who does not speak English can be provided reasonable access to the department's programs and services.

Added by Acts 1999, 76th Leg., ch. 62, Sec. 7.11(d), eff. Sept. 1, 1999.

Sec. 15.410. SHARE AND DEPOSITOR INSURANCE PROTECTION. (a) The commission shall adopt, and the commissioner shall enforce, reasonable rules requiring a credit union to provide share and deposit insurance protection for credit union members and depositors.

(b) Rules adopted under this section must include authorization for and establishment of a share and deposit guaranty corporation or credit union under the department's exclusive regulation to enable the department to carry out the purposes of this chapter and Subtitle D, Title 3.

(c) A credit union may provide share and deposit insurance protection through another source approved by the department, including a program of the National Credit Union Administration.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 15.4105. ANNUAL REPORT TO MEMBERS. (a) The commission shall adopt, and the commissioner shall enforce, reasonable rules

requiring a credit union regulated under this chapter and Subtitle D, Title 3, to provide an annual report to the credit union's members regarding the credit union's financial condition and management. The report must:

- (1) include a current balance sheet;
- (2) include an income and expense statement;
- (3) contain the name and date of expiration of the term of office of each member serving on the board of directors;
- (4) contain a brief description of any changes, since the preceding report was provided under this section, to the credit union's:

- (A) management;
- (B) bylaws;
- (C) articles of incorporation;
- (D) financial condition;
- (E) membership size; and
- (F) services offered; and

(5) contain any other information the commission considers necessary to ensure that credit union members are provided with basic knowledge of the credit union's financial condition and management.

(b) In adopting rules under this section, the commission must ensure that a credit union:

- (1) updates the report before the credit union's annual organizational meeting;
- (2) makes the report available to members throughout the year on the credit union's Internet website, if the credit union maintains a website; and
- (3) provides the report to credit union members by an alternative method, including delivery at the credit union's annual organizational meeting, if the credit union does not have an Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 14, eff. September 1, 2009.

Sec. 15.411. AGREEMENTS WITH OTHER REGULATORS. (a) The commissioner may enter into an agreement with any credit union

supervisory agency regarding the examination or supervision of branch offices of credit unions chartered in this state doing business in other states and foreign credit unions doing business in this state. In lieu of conducting an examination or investigation required by this subtitle, the commissioner may accept examinations or reports from other credit union supervisory agencies. The acceptance of the examination or report does not waive any fee, charge, or revenue required to be paid by a credit union, including a foreign credit union doing business in this state.

(b) The commissioner may enter into any cooperative arrangement with other credit union supervisory agencies to promote the effective regulation of state credit unions doing business across state lines, including contracting to use another agency's examiners, allowing for the use of examiners of this state by another agency, or collecting fees on behalf of or receiving payments through another agency.

Added by Acts 1999, 76th Leg., ch. 157, Sec. 4, eff. Sept. 1, 1999.

Sec. 15.4111. REGULATORY COORDINATION. To ensure effective coordination among and between the department and other state and federal agencies, the commissioner and those agencies may enter into cooperative, coordinating, or information-sharing agreements that are necessary or proper to enforce the state or federal laws applicable to credit unions.

Added by Acts 2013, 83rd Leg., R.S., Ch. 19 (S.B. 244), Sec. 3, eff. September 1, 2013.

Sec. 15.412. FILING GROUP RETURN WITH THE INTERNAL REVENUE SERVICE. (a) The commissioner may file a consolidated group return form with the Internal Revenue Service on behalf of all credit unions under the department's jurisdiction. To be included, each credit union must annually authorize the department in writing to include the credit union in the group return and must declare that the authorization and the financial information submitted for the purpose of compiling the group return are true and complete.

(b) The state is not liable for information contained in any

form submitted. Each credit union is individually responsible for the accuracy, completeness, and timeliness of the information and for any potential tax liability or penalties that may accrue.

Added by Acts 1999, 76th Leg., ch. 157, Sec. 4, eff. Sept. 1, 1999.

Sec. 15.413. INTERPRETATION OF HOME EQUITY LENDING LAW. The commission may, on request of an interested person or on its own motion, issue interpretations of Sections 50(a)(5)-(7), (e)-(p), (t), and (u), Article XVI, Texas Constitution. An interpretation under this section is subject to Chapter 2001, Government Code, and is applicable to lenders regulated by the commission. The Finance Commission of Texas and the commission shall attempt to adopt interpretations that are as consistent as feasible or shall state justification for any inconsistency.

Acts 2003, 78th Leg., ch. 1207, Sec. 2, eff. Sept. 13, 2003.

Sec. 15.414. AUTHORITY TO CONTRACT FOR PROFESSIONAL OR PERSONAL SERVICES. For the purpose of carrying out the powers, duties, and responsibilities of the department, the commissioner may negotiate, contract, or enter into an agreement for professional or personal services. The commission by rule shall adopt policies and procedures consistent with applicable state procurement practices for soliciting and awarding contracts under this section.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 5, eff. Sept. 1, 2003.

Sec. 15.415. GIFTS OF MONEY OR PROPERTY. The department may accept money or property by gift, bequest, devise, or otherwise for any department purpose authorized by this chapter and Subtitle D, Title 3. A gift, bequest, or devise shall be used for the purposes specified by the grantor. The commission must approve acceptance and use of any gift, bequest, or devise under this section.

Added by Acts 2003, 78th Leg., ch. 533, Sec. 5, eff. Sept. 1, 2003.

Renumbered from Finance Code, Section 15.413 by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 23.001(26), eff. September 1, 2005.

Sec. 15.416. USE OF TECHNOLOGY. The commission shall

implement a policy requiring the department to use appropriate technological solutions to improve the department's ability to perform its functions. The policy must ensure that the public is able to interact with the department on the Internet.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 15, eff. September 1, 2009.

SUBCHAPTER F. RULES REGARDING USE OF ADVISORY COMMITTEES

Sec. 15.501. RULEMAKING AUTHORITY. (a) The commission shall adopt rules, in compliance with Section 15.407 and Chapter [2110](#), Government Code, regarding the purpose, structure, and use of advisory committees by the commission, including rules governing an advisory committee's:

- (1) purpose, role, responsibility, and goals;
- (2) size and quorum requirements;
- (3) qualifications for membership, including experience requirements and geographic representation;
- (4) appointment procedures;
- (5) terms of service;
- (6) training requirements; and
- (7) duration.

(b) An advisory committee must be structured and used to advise the commission. An advisory committee may not be responsible for rulemaking or policymaking.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 16, eff. September 1, 2009.

Sec. 15.502. PERIODIC EVALUATION. The commission shall by rule establish a process by which the commission shall periodically evaluate an advisory committee to ensure its continued necessity. The commission may retain or develop committees as appropriate to meet changing needs.

Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 16, eff. September 1, 2009.

Sec. 15.503. COMPLIANCE WITH OPEN MEETINGS ACT. A commission

advisory committee must comply with Chapter [551](#), Government Code.
Added by Acts 2009, 81st Leg., R.S., Ch. 695 (H.B. [2735](#)), Sec. 16,
eff. September 1, 2009.