

Sunset Advisory Commission Staff Report, Self-Directed Semi-Independent Status of State Agencies
Recommendation 1.3

The Texas Credit Union Association requests the Sunset Commission remove the following staff recommendations in 1.3 from the final report.

- (1) Transfer of administrative penalties to the general revenue fund from the credit union department fund and;
- (2) the transfer of the SDSI status for credit unions from the Finance Code to the Government Code.

Issues for Texas Credit Unions:

To transfer administrative penalties to the general revenue fund from the credit union department fund has the effect of increasing the cost of regulation on state chartered credit unions in Texas. The Texas Credit Union Department (TCUD) has the authority to set the assessment on state chartered credit unions to cover the budget established by the Credit Union Commission. Any funds transferred out of the TCUD fund must be replaced with increased assessments on the credit unions.

As not for profit financial cooperatives, credit unions have limited cushions of capital and cannot raise more from individual investors or capital markets.

The current law, which includes the SDSI authority in the Finance Code for the TCUD allows credit union professionals, volunteers and management to easily locate information about the SDSI authority for TCUD. The current law has worked well and we believe the recommended change will not make the law simpler or easier to use for those it regulates.

If you have any questions please contact Jeff Huffman, President, Texas Credit Union Association

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