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| BILL ANALYSIS |

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| S.B. 707 |
| By: Paxton |
| Pensions, Investments & Financial Services |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE** Created by the legislature in 1969, the Credit Union Department (CUD) seeks to safeguard the public interest, protect the financial interests of credit union members, and promote public confidence in the credit union industry. The CUD approves credit union charters, examines credit unions for regulatory compliance and financial safety and soundness, enforces state laws and regulations, and responds to consumer complaints. The CUD was granted self-directed, semi-independent status by the legislature in 2009 and sets its own regulatory fees, budget, and performance measures. The most recent review by the Sunset Advisory Commission found that while the CUD is generally well-run, certain improvements could be made to complaint processes and regulatory communications with the industry and the public. S.B. 707 seeks to continue the CUD and the Credit Union Commission for 12 years with several statutory modifications that address those findings.  |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** S.B. 707 amends the Finance Code to continue the Credit Union Department (CUD) and the Credit Union Commission until September 1, 2033. Additionally, the bill does the following:* requires the CUD to promptly notify and issue guidance to all credit unions chartered in Texas on the adoption of certain federal laws or regulations that have immediate effect and that conflict with and override state law;
* with respect to training for commission members:
	+ revises related provisions and provides for the creation of a training manual that each member must acknowledge having received and reviewed; and
	+ provides for the transition to the new training requirements for commission members appointed before the bill's effective date; and
* with respect to consumer complaints:
	+ revises provisions relating to the notification of parties to a consumer complaint;
	+ requires the CUD to track all phases of the complaint and enforcement processes and maintain certain specified information for each complaint; and
	+ requires the CUD to compile annually a statistical analysis of its complaint and enforcement processes for the preceding fiscal year that includes certain specified information.

S.B. 707 repeals Section 122.001(d), Finance Code, which requires notarization of a credit union's articles of incorporation. |
| **EFFECTIVE DATE** September 1, 2021. |