

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, August 18, 2023**

The Finance Commission of Texas convened at 10:43 a.m., on August 18, 2023, with the following members present:

Finance Commission Members in Attendance:

Phillip Holt, Chairman	Will Lucas
George “Cliff” McCauley, Vice Chairman	Sharon McCormick
Bob Borochoff	Vince Puente
Hector Cerna	Laura Warren
Martin “Marty” Green	

Finance Commission Members Absent:

Roselyn “Rosie” Morris

Commissioner Charles G. Cooper announced there was a quorum with nine (9) members present. *(1:17 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the June 16, 2023 Finance Committee Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:28 Start of Discussion
3. Consent Agenda – Items A1, B2, and D2-D6	Will Lucas made a motion to Approve Consent Agenda items A1, B2, and D2-D6. Laura Warren seconded, and the motion passed.	1:59 Start of Discussion 2:18 Vote
4. Finance Commission Operations	No Action Required.	2:37 Start of Discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2023 Third Quarter Investment Officer Reports	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies’ 2023 Third Quarter Investment Officer Reports passed.	4:12 Start of Discussion
1. Office of Consumer Credit Commissioner		4:25 Vote
2. Department of Savings and Mortgage Lending		
3. Texas Department of Banking		

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<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for:</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking passed.</p>	<p>4:38 Start of Discussion 4:48 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2023 Third Quarter Financial Statements passed.</p>	<p>5:01 Start of Discussion 5:08 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies Fiscal Year 2024 Operating Budgets</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's Fiscal Year 2024 Operating Budget passed.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Fiscal Year 2024 Operating Budget passed.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Fiscal Year 2024 Operating Budget passed.</p>	<p>5:22 Start of Discussion 5:41 Vote 6:01 Vote 6:19 Vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>6:32 Start of Discussion 6:42 Vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>6:54 Start of Discussion 7:05 Vote</p>

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<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2023 Procurement/Contract Management/HUB Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's 2023 Procurement/Contract Management/HUB Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>7:16 Start of Discussion 7:28 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission on the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>7:40 Start of Discussion 7:50 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>n/a</p>
<p>J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo passed.</p>	<p>8:04 Start of Discussion 8:15 Vote</p>
<p>K. Discussion of the Activities of the Mortgage Grant Fund</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>6. Discussion of and Possible Vote to Take Action on the Agency Priorities for Fiscal Year 2024 for the Commissioners of the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking</p>	<p>Laura Warren made a motion to Approve the Agency Priorities for Fiscal Year 2024 for the Commissioners of the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking. Vince Puente seconded, and the motion passed.</p>	<p>8:31 Start of Discussion 18:34 Vote</p>
<p>7. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff</p>	<p>No Discussion.</p>	<p>n/a</p>

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8. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	No Discussion.	n/a
9. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-client Privileged Communications from our Attorneys, Including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation	No Discussion.	n/a
10. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code	No Discussion.	n/a
11. Discussion of Matters Made Confidential by Law Pursuant to § 551.081, Texas Government Code, including Information Relating to the Financial Condition or Business Affairs of a Financial Institution	No Discussion	n/a
B. Office of Consumer Credit Commissioner		
1. Industry Status and Departmental Operations: a) Consumer Protection and Assistance Division Activities; b) Licensing Division Activities; c) Administration Division Activities; d) Financial Division Activities; e) Legal Division Activities; and f) Legislative Activities	No Action Required.	19:12 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 5, Chapter 86, Concerning Retail Creditors	On Consent Agenda - Item B2 This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner	Marty Green made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner. Sharon McCormick seconded, and the motion passed.	31:35 Start of Discussion 34:08 Vote

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4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 85 Subchapter A, Concerning Rules of Operation for Pawnshops	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops. Sharon McCormick seconded, and the motion passed.	34:37 Start of Discussion 36:14 Vote
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Ernest Polk v. Texas Office of Consumer Credit Commissioner; Cause No. 01-22-00712-CV</i> , in the First Court of Appeals, Houston, Texas	No Discussion.	n/a
C. Department of Savings and Mortgage Lending		
1. Industry Status and Departmental Operations: a) Thrift Regulation Division Activities; b) Mortgage Regulation Division Activities; c) Operations Division Activities; d) Legal Division Activities, including Consumer Complaints and Gift Reporting; e) Legislative Activities	No Action Required.	36:43 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators	Marty Green made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers, and Residential Mortgage Loan Originators. Laura Warren seconded, and the motion passed.	48:14 Start of Discussion 51:20 Vote
3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Tim Schoenbauer v. Texas Department of Savings and Mortgage Lending; Cause No. JPC-23-02334-32</i> , in the Justice Court, Precinct 3, Place 2, Dallas County, Texas	No Action Required.	n/a
D. Texas Department of Banking		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	51:56 Start of Discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
2. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 1, Chapter 6, Concerning Banking Development Districts, Resulting from Rule Review	On Consent Agenda - Item D2 This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 2, Chapter 15, Concerning Corporate Activities, Resulting from Rule Review	On Consent Agenda - Item D3 This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 2, Chapter 17, Concerning Trust Company Regulation, Resulting from Rule Review	On Consent Agenda - Item D4 This item Approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 2, Chapter 19, Concerning Trust Company Loans and Investments, Resulting from Rule Review	On Consent Agenda - Item D5 This item Approved on the Consent Agenda.	n/a
6. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 2, Chapter 21, Concerning Trust Company Corporate Activities, Resulting from Rule Review	On Consent Agenda - Item D6 This item Approved on the Consent Agenda.	n/a
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to and Repeals of Certain Sections in 7 TAC, Part 2, Chapter 33, Concerning Money Services Businesses	Marty Green made a motion to Approve the Proposal and Publication for Comment of Repeals of Certain Sections in 7 TAC, Part 2, Chapter 33, Concerning Money Services Businesses. Sharon McCormick seconded, and the motion passed. Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments of Certain Sections in 7 TAC, Part 2, Chapter 33, Concerning Money Services Businesses. Laura Warren seconded, and the motion passed	1:05:17 Start of Discussion 1:15:01 Vote 1:15:23 Vote
8. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 11:59 a.m. (1:16:27 on the audio file).

/s/Phillip Holt

Phillip Holt, Chairman
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Ruth Wright

Ruth Wright, Executive Assistant
Finance Commission of Texas