

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, October 27, 2023**

The Finance Commission of Texas convened at 9:54 a.m., on October 27, 2023, with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Will Lucas
George "Cliff" McCauley, Vice Chairman	Sharon McCormick
Hector Cerna	Roselyn "Rosie" Morris
Marty Green	Vince Puente

**Finance Commission Members Absent:**

Bob Borochoff	Laura Warren
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Commissioner Charles G. Cooper announced there was a quorum with eight (8) members present. (1:25 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. Finance Commission Matters</b>		
1. Review and Approval of the Minutes of the August 18, 2023 Finance Committee Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:39 Start of Discussion
3. Consent Agenda – Items A1, B2, B3, C2 - C4, and D2	Vince Puente made a motion to Approve Consent Agenda items A1, B2, B3, C2 – C4, and D2. Sharon McCormick seconded, and the motion passed.	2:07 Start of Discussion  2:27 Vote
4. Finance Commission Operations	No Action Required.	2:50 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 Fourth Quarter Investment Officer Reports	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2023 Fourth Quarter Investment Officer Reports passed.	4:25 Start of Discussion
1. Texas Department of Banking		4:37 Vote
2. Office of Consumer Credit Commissioner		
3. Department of Savings and Mortgage Lending		

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Fourth Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Department of Savings and Mortgage Lending</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2-23 Fourth Quarter Financial Statements passed.</p>	<p>4:51 Start of Discussion</p> <p>4:58 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund passed.</p> <p>Vince Puente was the only dissenting vote.</p>	<p>5:11 Start of Discussion</p> <p>5:22 Vote</p>
<p>D. 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 Discussion.</p>	<p>n/a</p>
<p>E. Discussion of the Activities of the Mortgage Grant Fund</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Selection of an Internal Auditor for the Finance Commission Agencies for Fiscal Year 2024</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Selection of an Internal Auditor, Garza/Gonzalez &amp; Associates for the Finance Commission Agencies for Fiscal Year 2024 passed.</p>	<p>11:38 Start of Discussion</p> <p>11:52 Vote</p>
<p>6. Discussion of the Condition of the Texas State Banking System Report</p>	<p>No Action Required.</p>	<p>12:11 Start of Discussion</p>
<p>7. Discussion of and Possible Vote to Take Action on the Accomplishment Reports for Fiscal Year 2023 for the Commissioners of the Texas Department of Banking, the Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending</p>	<p>Marty Green made a motion to Approve the Accomplishment Reports for Fiscal Year 2023 for the Commissioners of the Texas Department of Banking, the Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending. Will Lucas seconded, and the motion passed.</p>	<p>52:32 Start of Discussion</p> <p>52:43 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
8. 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	No Discussion.	n/a
9. 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
10. 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
11. 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 Tex. Govt. Code Secs. 551.076 and 551.089	No Discussion.	n/a
12. Discussion of Matters Made Confidential by Law Pursuant to § 551.0811, Texas Government Code, including Information Relating to the Financial Condition or Business Affairs of a Financial Institution	No Discussion.	n/a
<b>B. Texas Department of Banking</b>		
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.	53:27 Start of Discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
2. Discussion of and Possible Vote to Take Action on the Adoption of Repeals of Certain Sections of 7 TAC, Part 2, Chapter 33, Concerning Money Services Businesses	<b>On Consent Agenda - Item B2</b> This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in Certain Sections of 7 TAC, Part 2, Chapter 33, Concerning Money Services Businesses	<b>On Consent Agenda - Item B3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 2, Chapter 12, Concerning Loans and Investments by State-Chartered Banks	Marty Green made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 2, Chapter 12, Concerning Loans, and Investments by State-Chartered Banks. Sharon McCormick seconded, and the motion passed.	1:34:08 Start of Discussion  1:36:23 Vote
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>C. Office of Consumer Credit Commissioner</b>		
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.	1:37:23 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner	<b>On Consent Agenda - Item C2</b> This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops	<b>On Consent Agenda - Item C3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote Take Action on the Readoption of 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review	<b>On Consent Agenda - Item C4</b> This item Approved on the Consent Agenda.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. Discussion of and Possible Vote to Take Action on the Proposal of Amendments in 7 TAC, Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review	Marty Green made a motion to Approve the Proposal of Amendments in 7 TAC, Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Business, Resulting from Rule Review. Sharon McCormick seconded, and the motion passed.	2:04:10 Start of Discussion  2:08:18 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales	Will Lucas made a motion to Approve the Proposal of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Loans, and Investments by State-Chartered Banks. Marty Green seconded and the motion passed.	2:08:43 Start of Discussion  2:14:00 Vote
7. 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 Court of Appeals, Houston, Texas	No Action Required.	n/a
<b>D. Department of Savings and Mortgage Lending</b>		
1. Industry Status and Departmental Operations: a) State Savings Bank Examinations and Supervision Division Activities; b) Mortgage Licensing Division Activities; c) Mortgage Examinations Division Activities; d) Consumer Complaints Division Activities; e) Administration and Finance Division Activities; f) Legal Division Activities, including Gift Reporting; and g) Legislative Activities	No Action Required.	2:14:26 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators	<b>On Consent Agenda - Item D2</b> This item Approved on the Consent Agenda.	n/a
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  <i>Julius Lamunn North v. Texas Department of Savings and Mortgage Lending; et al., Cause No. 2023-50470</i> , in the District Court, 270th Judicial District, Harris County, Texas	No Action Required.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 12:27 p.m. (2:33:54 on the audio file).

/s/Phillip Holt

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Phillip Holt, Chairman  
Finance Commission of Texas

/s/Charles G. Cooper

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Charles G. Cooper, Executive Director  
Finance Commission of Texas

/s/Ruth Wright

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Ruth Wright, Executive Assistant  
Finance Commission of Texas