

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, December 18, 2015
8:00 a.m.**

The Finance Commission of Texas convened at 8:00 a.m. on December 18, 2015, with the following members present: Bill White, Chairman, Paul Plunket, Vice Chair, Susan Burton, Stacy London, Larry Patton, Lori McCool, Jay Shands, Will Lucas, Jonathan Newton, and Cindy Lyons. Members absent: Victor Leal

Chairman White announced there was a quorum of the Finance Commission of Texas with ten members present (00:20 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the October 16, 2015 Finance Commission Meeting	On Consent Agenda – Item A1 This item approved on the Consent Agenda.	00:55 start of discussion
2. General Public Comment	No Action Required.	01:18 start of discussion
3. Consent Agenda - Items A1, B1-B5, B9-B10	Larry Patton made a motion to approve the Consent Agenda. Stacy London seconded and the motion passed.	01:28 start of discussion 01:34 vote
B. AGENCY RULES		
FINANCE COMMISSION		
1. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 1, Chapter 9, Concerning Rules of Procedure for Contested Case Hearings, Appeals, and Rulemakings	On Consent Agenda – Item B1 This item approved on the Consent Agenda.	n/a
DEPARTMENT OF SAVINGS AND MORTGAGE LENDING		
2. Discussion of and Possible Vote to Take Action on the Completed Rule Review of 7 TAC, Chapters 51, 53, 57, 59, 61, 63-65, 67, 69, 71 and 73 Concerning Savings and Loan Associations	On Consent Agenda – Item B2 This item approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Completed Rule Review of 7 TAC, Chapters 75-77 Concerning Savings Banks	On Consent Agenda – Item B3 This item approved on the Consent Agenda.	n/a

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<p>OFFICE OF CONSUMER CREDIT COMMISSIONER</p> <p>4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 1 Chapter 4, and Part 5, Chapters 83, 84, 85, 88, and 89, Regarding Contested Case Procedure</p>	<p>On Consent Agenda – Item B4 This item approved on the Consent Agenda.</p>	<p>n/a</p>
<p>5. Discussion of and Possible Vote to Take Action on the Completed Rule Review of 7 TAC Chapter 85, Subchapter B, Regarding Crafted Precious Metal Dealers</p>	<p>On Consent Agenda – Item B5 This item approved on the Consent Agenda.</p>	<p>n/a</p>
<p>6. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to §§83.1002, 83.3001, 83.3002, 83.3006, 83.3010, and 83.4002; the Adoption of New §83.4003 (repeal and replace), §83.5003 and §83.5004; and on the Adoption of the Repeal of §83.3012, §83.4003 (repeal and replace), and §83.4004 in 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review</p>	<p>Larry Patton made a motion to approve the Adoption of Amendments to §§83.1002, 83.3001, 83.3002, 83.3006, 83.3010, and 83.4002; the Adoption of New §83.4003 (repeal and replace), §83.5003 and §83.5004; and on the Adoption of the Repeal of §83.3012, §83.4003 (repeal and replace), and §83.4004 in 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review. Cindy Lyons seconded and the motion passed.</p>	<p>02:53 start of discussion 05:40 vote</p>
<p>7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on New §83.3003 (repeal and replace); the Proposal and Publication for Comment on Amendments to §§83.3004, 83.5001, 83.6003, 83.6006, 83.6007, and 83.6008; and on the Proposal and Publication for Comment on the Repeal of §83.3003 (repeal and replace), in 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review</p>	<p>Lori McCool made a motion to approve the Proposal and Publication for Comment on New §83.3003 (repeal and replace); the Proposal and Publication for Comment on Amendments to §§83.3004, 83.5001, 83.6003, 83.6006, 83.6007, and 83.6008; and on the Proposal and Publication for Comment on the Repeal of §83.3003 (repeal and replace), in 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review.</p>	<p>07:05 start of discussion 11:40 vote</p>

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	Susan Burton seconded and the motion passed.	
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Chapter 85, Subchapter B, Concerning Rules for Crafted Precious Metal Dealers, Resulting from Rule Review	Stacy London made a motion to approve the Proposal and Publication for Comment on Amendments to 7 TAC, Chapter 85, Subchapter B, Concerning Rules for Crafted Precious Metal Dealers, Resulting from Rule Review. Lori McCool seconded and the motion passed.	13:04 start of discussion 14:12 vote
<p>TEXAS DEPARTMENT OF BANKING</p> 9. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, §21.24 Concerning Exemptions for Family Trust Companies	<p>On Consent Agenda – Item B9 This item approved on the Consent Agenda.</p>	n/a
10. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §17.23 Concerning Trust Company Call Reports	<p>On Consent Agenda – Item B10 This item approved on the Consent Agenda.</p>	n/a
11. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendment to 7 TAC §5.101, Concerning Employee Training and Education Assistance Programs	Susan Burton made a motion to approve the Proposal and Publication for Comment of Amendment to 7 TAC §5.101, Concerning Employee Training and Education Assistance Programs. Jay Shands seconded and the motion passed.	15:01 start of discussion 15:55 vote
12. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, 33.13 Concerning Processing Times for Certain Money Service Business Applications	Will Lucas made a motion to approve the Proposal and Publication for Comment on Amendments to 7 TAC, 33.13 Concerning Processing Times for Certain Money Service Business Applications. Paul Plunkett seconded and the motion passed.	17:00 start of discussion 18:32 vote
A. FINANCE COMMISSION MATTERS (CONT'D)		
4. Finance Commission Operations		19:12 start of

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
		discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Fiscal Year 2016 Internal Auditor’s Risk Assessment And Audit Plan for the Finance Commission Agencies with the change made to the audit area of Department of Savings and Mortgage Lending	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	20:30 start of discussion 21:45 vote
B. Discussion of and Possible Vote to Award Final Selection of Organizations, to Receive Grant Funds in an Aggregate Amount Not to exceed \$250,000 From the Texas Financial Education Endowment Fund	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	22:02 start of discussion 22:53 vote
6. Discussion of the Process for the 2017 – 2021 Strategic Plans for the Finance Commission Agencies	No Action Required	24:00 start of discussion
7. Discussion of and Possible Vote to Take Action on the Revisions of the Finance Commission’s Policies and Procedures	Jonathan Newton made a motion to approve the Revisions of the Finance Commission’s Policies and Procedures. Larry Patton seconded and the motion passed.	25:00 start of discussion 27:12 vote
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	Lori McCool made a motion to approve the following Commissioner pay adjustments: <ul style="list-style-type: none"> • Base salaries for three Agency Commissioners to reflect 2.5% pay increase appropriated by HB1 & HB9 for state employees participating in ERS, to be retroactive to Sept.1, 2015. • \$1250 parity adjustment 	1:22:53 start of discussion 1:23:58 vote

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	<p>to Office of Consumer Credit Commissioner base salary</p> <ul style="list-style-type: none"> 4% one-time merit payment for three Agency Commissioners to address lack of adjustments since 2013. <p>Susan Burton seconded and the motion passed.</p>	
<p>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</p>	<p>Deferred to Executive Session, no vote taken.</p>	<p>n/a</p>
<p>10. Discussion 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</p>	<p>Deferred to Executive Session, no vote taken.</p>	<p>n/a</p>
C. DEPARTMENT OF SAVINGS AND MORTGAGE LENDING		
<p>1. Industry Status and Departmental Operations - State Savings Bank Activity: a) Industry Status; b) State Savings Bank Charter and Application Activity; c) Other Items</p>	<p>No Action Required</p>	<p>27:45 start of discussion</p>
<p>2. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; c) Consumer Complaints/Legal Activity; and d) Other Items</p>	<p>No Action Required</p>	<p>35:30 start of discussion</p>
<p>3. Fiscal/Operations Activity: a) Funding</p>	<p>No Action Required</p>	<p>42:02 start</p>

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4. Status/Audits/Financial Reporting ; b) Staffing; c) Other Items; and d) Legislative Activity		of discussion
D. 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	43:15 start of discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion - No Action Required.	n/a
E. TEXAS DEPARTMENT OF BANKING		
1. Industry Status and Departmental Operations: a) Items of Interest from the Commissioner's Office; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Special Audits Division Activities; e) Administrative and Fiscal Division Activities; f) Strategic Support Division Activities; g) Legal Division Activities; h) Legislative Activities; and i) General Items of Interest	No Action Required	58:03 start of discussion
2. Discussion of and Possible Vote to Take Action on the Appointment of Rebecca Ann Motley to Serve as the Consumer Representative of the Guaranty Fund Advisory Council for the period January 1, 2016 – December 31, 2017	Stacy London made a motion to approve the Appointment of Rebecca Ann Motley to Serve as the Consumer Representative of the Guaranty Fund Advisory Council for the period January 1, 2016 – December 31, 2017. Jonathan Newton seconded and the motion passed.	1:12:54 start of discussion 1:14:07 vote
3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion - No Action Required	n/a

Chairman Bill White called for an Executive Session at 9:33 a.m. (1:22:05 on the audio file). The open meeting resumed at 10:34 a.m. (1:22:15 on the audio file).

There being no further business, Chairman Bill White adjourned the meeting of the Finance Commission at 10:36 a.m. (1:26:15 on the audio file).

/s/William J. White

William J. White, Chairman
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Anne Benites

Anne Benites, Executive Assistant
Finance Commission of Texas