

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, June 19, 2015
9:00 a.m.**

The Finance Commission of Texas convened at 9:00 a.m. on June 19, 2015, with the following members present: Bill White, Chairman, Paul Plunket, Vice Chair, Susan Burton, Victor Leal, Stacy London, Lori McCool, Will Lucas, Jonathan Newton, Larry Patton, Jay Shands, and Cindy Lyons.

Chairman White announced that there was a quorum of the Finance Commission of Texas with 11 members present. (0.08 on audio file)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the April 17, 2015 Finance Commission Meeting	On Consent Agenda – Item A1 This item approved on the Consent Agenda.	1:40
2. General Public Comment	No Action Required	0:52
3. Consent Agenda - Items A1, A6, and D2	Jay Shands made a motion to approve the Consent Agenda. Cindy Lyons seconded and the motion passed.	1:40 start of discussion 2:00 vote
4. Finance Commission Operations	No Action Required	2:20
5. Audit Committee Report		30:40
A. Discussion and Possible Vote to Recommend that the Finance Commission Take Action on the Revisions to the Investment Policy for: <ul style="list-style-type: none"> 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking 	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	31:15 start of discussion 31:20 vote
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Banking’s 2015 Annual Internal Audit Report including the Audit of the Revenue Accounting Process as Prepared and Presented by Garza/Gonzalez and Associates	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	31:30 start of discussion 32:13 vote
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Extend the Internal Auditor Contract for Garza/Gonzalez & Associates through Fiscal Year 2016	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	32:28 start of discussion 32:40 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. Discussion of and Possible Vote to Take Action on Re-Adoption of the Completed Rule Reviews of:	On Consent Agenda – Item A6 This item approved on the Consent Agenda.	n/a
A. 7 TAC , Part 1, Chapter 9, Concerning Procedures for Contested Case Hearings, Appeals and Rulemakings	On Consent Agenda – Item A6 This item approved on the Consent Agenda.	n/a
B. 7 TAC, Part 1, Chapter 10, Concerning Contract Procedures	On Consent Agenda – Item A6 This item approved on the Consent Agenda.	n/a
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 of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	Deferred to Executive Session – no vote taken	n/a
8. Discussion 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	Deferred to Executive Session – no vote taken	n/a
9. 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 of pending and contemplated litigation	Deferred to Executive Session – no vote taken	n/a
B. DEPARTMENT OF SAVINGS AND MORTGAGE LENDING		
1. Industry Status and Departmental Operations – State Savings Bank Activity: a) Industry Status; b) State Savings Bank Charter and Application Activity; and c) Other Items	No Action Required	33:18
2. Industry Status and Departmental Operations –	No Action Required	34:17

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; c) Consumer Complaints/Legal Activity; and d) Other Items		
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; c) Other Items; and d) Legislative Activity	No Action Required	38:31
4. Discussion of and Possible Action Regarding Anticipated and Pending Litigation	No Discussion – No Action Required Chairman White called for a recess at 9:47a.m. Chairman White reconvened the meeting at 10:04 a.m.	n/a
C. 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	44:02
2. The Finance Commission Will Enter into Executive Session Pursuant to §552.071, Texas Government Code, for the purpose of seeking the advice or attorney-client privileged communications from its attorneys, with respect to:		n/a
3. Discussion and Possible Vote to Take Action with Respect to Agenda Item C2	No Discussion	n/a
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §89.207, 89.601, and 89.802, Concerning Property Tax Lenders	Paul Plunket made a motion to adopt the amendments to the rules. Victor Leal seconded and the motion passed.	1:11:51 start of discussion 1:13:02 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on New 7 TAC §2.106, Concerning Denial, Suspension, or Revocation Based on Criminal History, for OCCC Residential Mortgage Loan Originators	Susan Burton made a motion to publish for comment amendments to the rules. Larry Patton seconded and the motion passed.	1:13:36 start of discussion 1:15:10 vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC §88.102 and §88.107, and New 7 TAC §88.110, Concerning Criminal History Information, for Debt Management Services Providers	Jonathan Newton made a motion to publish for comment amendments to the rules. Jay Shands seconded and the motion passed.	1:15:53 start of discussion 1:16:46 vote
7. Discussion of and Possible Vote to Take Action Regarding Anticipated and Pending Litigation	No discussion – No Action Required	n/a
D. 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	1:18:03 start of discussion
2. Discussion of and Possible Vote to Take Action on the Re-adoption of the Completed Rule Reviews of:	On Consent Agenda – Item D2 This item approved on the Consent Agenda.	n/a
A. 7 TAC, Part 2, Chapter 12, Concerning Loans and Investments	On Consent Agenda – Item D2 This item approved on the Consent Agenda.	n/a
B. 7 TAC, Part 2, Chapter 25, Concerning Prepaid Funeral Benefit Contracts	On Consent Agenda – Item D2 This item approved on the Consent Agenda.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
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 11:07 a.m. *(1:47:30 on the audio file)*. The open meeting resumed at 11:26 a.m. *(1:47:45 on the audio file)*.

There being no further business, Chairman Bill White adjourned the meeting of the Finance Commission at 11:27 a.m. *(1:48:12 on 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