

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, October 16, 2015
9:00 a.m.**

The Finance Commission of Texas convened at 9:00 a.m. on October 16, 2015, with the following members present: Bill White, Chairman, Paul Plunket, Vice Chair, Susan Burton, Stacy London, Larry Patton, Lori McCool, Victor Leal, Jay Shands, and Cindy Lyons. Members absent: Will Lucas and Jonathan Newton.

Chairman White announced that there was a quorum of the Finance Commission of Texas with 9 members present. Stacy London made a motion to excuse the absences of Will Lucas and Jonathan Newton. Cindy Lyons seconded and the motion passed (00:13 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the August 21, 2015 Finance Commission Meeting	On Consent Agenda – Item A1 This item approved on the Consent Agenda.	1:07 start of discussion
2. General Public Comment	No Action Required.	1:36 start of discussion
3. Consent Agenda - Items A1, B2-B3, C2-C8, D4 & D5	Stacy London made a motion to approve the Consent Agenda with the exception of item C3 which was removed from the Consent Agenda. Jay Shands seconded and the motion passed.	2:10 start of discussion 2:30 vote
4. Finance Commission Operations	No Action Required.	2:45 start of discussion
5. Audit Committee Report		
A. Discussion and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' August 31, 2015 Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Texas Department of Banking 3. Department of Savings and Mortgage Lending	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	4:17 start of discussion 4:54 vote
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2015 Fourth Quarter Financial Statements	Coming upon recommendation from the Audit Committee, no second is required and the motion passed.	5:05 start of discussion 5:17 vote

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<ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Texas Department of Banking 3. Department of Savings and Mortgage Lending 		
<p>C. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>5:27 start of discussion</p>
<p>6. Discussion of and Possible Vote to Accept the Report on the Financial Condition of the State Banking System</p>	<p>Susan Burton made a motion to approve the Report on the Financial Condition of the State Banking System. Jay Shands seconded and the motion passed.</p>	<p>5:48 start of discussion 12:40 vote</p>
<p>7. Discussion of and Possible Vote to Take Action on the Accomplishment Reports for Fiscal Year 2015 for the Commissioners of the Office of Consumer Credit Commissioner, Texas Department of Banking, and Department of Savings and Mortgage Lending</p>	<p>Cindy Lyons made a motion to approve the Accomplishment Reports for Fiscal Year 2015 for the Commissioners of the Office of Consumer Credit Commissioner, Texas Department of Banking, and Department of Savings and Mortgage Lending. Stacy London seconded and the motion passed.</p>	<p>13:12 start of discussion 24:55 vote</p>
<p>8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Part 1, Chapter 9, Concerning Rules of Procedure for Contested Case Hearings, Appeals, and Rulemakings</p>	<p>Larry Patton made a motion to approve the Proposal and Publication for Comment on Amendments to 7 TAC, Part 1, Chapter 9, Concerning Rules of Procedure for Contested Case Hearings, Appeals, and Rulemakings. Jay Shands seconded and the motion passed.</p>	<p>25:43 start of discussion 32:24 vote</p>
<p>9. 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>Deferred to Executive Session – no vote taken.</p>	<p>n/a</p>

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10. 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	Deferred to Executive Session – no vote taken.	n/a
11. 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. 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.	33:11 start of discussion
2. Discussion of and Possible Vote to Take Action on the Completed Rule Review of 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses	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, Chapter 90, Concerning Chapter 342, Plain Language Contract Provisions	On Consent Agenda – Item B3 This item approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments and New Rule in 7 TAC, Chapters 84, 86, and 90, Concerning Plain Language Contracts, Resulting from Rule Review	Stacy London made a motion to approve the Adoption of Amendments and New Rule in 7 TAC Chapters 84, 86, and 90, Concerning Plain Language Contracts, Resulting from Rule Review. Jay Shands seconded and the motion passed.	47:52 start of discussion 50:53 vote

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5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments, New Rules, and Repeals in 7 TAC, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review	Victor Leal made a motion to propose the Proposal of Publication for Comment on Amendments, New Rules, and Repeals in 7 TAC, Chapter 83, Subchapter B (except for 83.5006 and 83.5007 which were withdrawn from consideration) concerning rules for credit access businesses resulting from rule review. Cindy Lyons seconded and the motion passed.	52:22 start of discussion 1:35:52 vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on New 7 TAC, §82.5, Concerning Contested Case Hearing Notice, Response, and Default	This rule was withdrawn from consideration.	1:36:26 start of discussion
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, Part 1, Chapter 4, and Part 5, Chapters 83, 84, 85, 88, and 89, Regarding Contested Case Procedure	Susan Burton made a motion to approve the proposal and publication for comment on Amendments to 7 TAC, Part 1, Chapter 4, and Part 5, Chapters 83, 84, 85, 88, and 89, regarding contested case procedure. Stacy Lyons seconded and the motion passed.	1:36:50 start of discussion 1:38:45 vote
8. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion - No Action Required.	n/a
C. 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.	1:39:46 start of discussion

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2. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC §33.4 Concerning Payment Processors	On Consent Agenda – Item C2 This item approved on the Consent Agenda.	
3. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC §§6.1-6.6 Concerning Banking Development Districts	Larry Patton made a motion to adopt 7 TAC §§6.1-6.6 with non-substantive changes to the proposal as previously published in the <i>Texas Register</i> . Jay Shands seconded and the motion passed.	01:55:50 start of discussion 01:58:50 vote
4. Discussion of and Possible Vote Take Action on the Adoption of Amendments to 7 TAC §3.36 and §3.37 Concerning Bank Assessments	On Consent Agenda – Item C4 This item approved on the Consent Agenda.	
5. Discussion of and Possible Vote to Take Action on the Rule Review of 7 TAC, Chapter 15 Concerning Corporate Activities	On Consent Agenda – Item C5 This item approved on the Consent Agenda.	
6. Discussion of and Possible Vote to Take Action on the Rule Review of 7 TAC, Chapter 17 Concerning Trust Company Regulation	On Consent Agenda – Item C6 This item approved on the Consent Agenda.	
7. Discussion of and Possible Vote to Take Action on the Rule Review of 7 TAC, Chapter 19 Concerning Trust Company Loans and Investments	On Consent Agenda – Item C7 This item approved on the Consent Agenda.	
8. Discussion of and Possible Vote to Take Action on the Rule Review of 7 TAC, Chapter 21 Concerning Trust Company Corporate Activities	On Consent Agenda – Item C8 This item approved on the Consent Agenda.	

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9. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC, §21.24 Concerning Exemptions for Family Trust Companies	Stacy London made a motion to approve the Proposal and Publication for Comment on Amendments to 7 TAC, §21.24 Concerning Exemptions for Family Trust Companies. Cindy Lyons seconded and the motion passed.	01:59:10 start of discussion 02:05:04 vote
10. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment on Amendments to 7 TAC §17.23 Concerning Trust Company Call Reports	Susan Burton made a motion to approve the Proposal and Publication for Comment on Amendments to 7 TAC §17.23 Concerning Trust Company Call Reports. Jay Shands seconded and the motion passed.	02:05:26 start of discussion 02:06:20 vote
11. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion - No Action Required.	n/a
D. 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; c) Other Items	No Action Required.	2:06:55 start of discussion
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	No Action Required.	2:10:15 start of discussion
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; c) Other Items; and d) Legislative Activity	No Action Required.	2:26:03 start of discussion
4. Discussion of and Possible Vote to Take Action on	On Consent Agenda – Item D4	

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the Adoption of Amendments to 7 TAC §80.201 Concerning Loan Status Forms, §80.203 Concerning Advertising, and §80.204 Concerning Books and Records	This item approved on the Consent Agenda.	
5. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §81.200 Concerning Required Disclosures, §81.201 Concerning Loan Status Forms, and §81.204 Concerning Books and Records	On Consent Agenda – Item D5 This item approved on the Consent Agenda.	
6. Discussion of and Possible Action Regarding Anticipated and Pending Litigation	No Discussion - No Action Required.	n/a

Chairman Bill White called for an Executive Session at 11:45 a.m. (2:26:57 on the audio file). The open meeting resumed at 12:01 p.m. (2:27:08 on the audio file).

There being no further business, Chairman Bill White adjourned the meeting of the Finance Commission at 12:01 p.m. (2:28:47 on audio file).

Anne Benites, Executive Assistant
Finance Commission of Texas

/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