

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, February 17, 2017**

The Finance Commission of Texas convened at 10:13 a.m. on February 17, 2017 with the following members present:

**Finance Commission Members in Attendance:**

Stacy G. London, Chairman  
Jay Shands, Vice Chairman  
Hector Cerna  
Molly Curl  
Phillip Holt  
Will Lucas  
Lori McCool  
Matt Moore  
Paul Plunket  
Vince E. Puente

**Finance Commission Members Absent:**

Bob Borochoff

Finance Commission Chairman Stacy G. London announced a quorum with ten members present. (00:19) start of discussion)

Stacy G. London made a motion to excuse Bob Borochoff from the Finance Commission meeting held on February 17, 2017. There were no objections and the motion passed unanimously. (00:35)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. FINANCE COMMISSION MATTERS</b>		
1. Review and Approval of the Minutes of the December 16, 2016 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b> This item approved on the Consent Agenda.	02:17 start of discussion
2. General Public Comment	No Action Required.	n/a
3. Consent Agenda – Items A1, B2	Molly Curl made a motion to approve Consent Agenda items A1 and B2. Will Lucas seconded and the motion passed.	02:36 start of discussion 02:48 vote
4. Finance Commission Operations	No Action Required.	3:08 start of discussion
5. Audit Committee Report		

<b>AGENDA ITEM</b>	<b>ACTION</b>	<b>LOCATION ON AUDIO FILE</b>
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action Pursuant to §551.076, Texas Government Code: Deliberation Regarding Security Devices or Security Audits, Relating to the Cyber Security Assessment Report of the Office of Consumer Credit Commissioner</p>	<p>No Vote or Discussion.</p>	<p>n/a</p>
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Finance Commission’s Internal Audit Activity Charter</p>	<p>Coming upon recommendation from the Audit Committee, no second is required and the motion to Approve the Finance Commission’s Internal Audit Activity Charter passed.</p>	<p>5:56 start of discussion 6:55 vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ Fiscal Year 2017 Internal Auditor’s Risk Assessment and Audit Plan</p>	<p>Coming upon recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies’ Fiscal Year 2017 Internal Auditor’s Risk Assessment and Audit Plan passed.</p>	<p>07:11 start of discussion 07:18 vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ November 30, 2016 Investment Officer Reports</p>	<p>Coming upon recommendation from the Audit Committee, no second is required and the motion to approve the Agencies’ November 30, 2016 Investment Officer Reports passed.</p>	<p>07:28 start of discussion 07:37 vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2017 First Quarter Financial Statements</p>	<p>Coming upon recommendation from the Audit Committee, no second is required and the motion to approve the Agencies’ 2017 First Quarter Financial Statements passed.</p>	<p>07:47 start of discussion 07:54 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on Proposal for the Department of Savings &amp; Mortgage Lending to Contribute Funds to the Texas Financial Education Endowment</p>	<p>Coming upon recommendation from the Audit Committee, no second is required and the motion to approve the Proposal for the Department of Savings &amp; Mortgage Lending to Contribute One-Time Funds to the Texas</p>	<p>08:12 start of discussion 08:17 vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
	Financial Education Endowment passed.	
6. 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	Deferred to Executive Session – no vote taken.	n/a
7. 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
8. 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	Deferred to Executive Session – no vote taken.	n/a
<b>B. TEXAS DEPARTMENT OF BANKING</b>		
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	No Action Required.	08:50 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
i) General Items of Interest		
2. Discussion of and Possible Vote to Take Action on the Reappointment of Wallace Jones as the Trust Industry Representative to the Guaranty Fund Advisory Council for the period January 1, 2017 to December 31, 2018	<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 Anticipated and Pending Litigation  <i>State of Texas v. Myrtlewood Memorial Services, Inc. d/b/a Harlingen-Combes Memorial Cemetery, Cause No.D-1-GN-16-000565, 353<sup>rd</sup> District Court, Travis County, Texas</i>  <i>Texas Department of Banking v. Lamesa Memorial Park, LLC, Cause No. 16-09-19874, 106th District Court, Dawson County, Texas</i>	No Action Required.	n/a
<b>C. DEPARTMENT OF SAVINGS AND MORTGAGE LENDING</b>		
1. Industry Status and Departmental Operations – State Savings Bank Activity: a) Industry Status; b) State Savings Bank Charter and Merger Activity; c) Other Items	No Action Required.	35:00 start of discussion
2. Discussion of and Possible Vote to Take Action on Annual Assessments to be Paid by the Texas State Savings Banks	Will Lucas made a motion to approve the annual assessments paid by the Texas State Savings Banks. Lori McCool seconded and the motion passed.	35:49 start of discussion 37:25 vote
3. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; c) Consumer Complaints; and d) Other Items	No Action Required.	38:34 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
4. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Items	No Action Required.	44:16 start of discussion
5. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	44:50 start of discussion
6. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <i>Catherine Sims vs. Texas Department of Savings and Mortgage Lending,</i> Cause No. D-1-GN-16-001194, 201 <sup>st</sup> District Court, Travis County, Texas.	No Action Required.	n/a
<b>D. 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.	45:49 start of discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <i>Lynn Rowell d/b/a Beaumont Greenery, MPC Data and Communications, Inc., Micah Cooksey, NXT Properties, Inc., Mark Harken, Montgomery Chandler, Inc., Paula Cook, Townsley Designs, LLC, and Shonda Townsley v. Leslie L. Pettijohn, in her official capacity as Commissioner of the Office of Consumer Credit Commissioner of the State of Texas;</i> Case No. 15-1455, in the Supreme Court of the United States	No Action Required.	n/a

Chairman Stacy G. London called for an Executive Session at 11:23 a.m. *(1:08:50 on the audio file)*. The open meeting resumed at 11:56 a.m. *(1:08:52 on the audio file)*.

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 11:57 a.m. *(01:09:08) on the audio file)*.

/s/Stacy G. London

Stacy G. London, 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