

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, June 16, 2017**

The Finance Commission of Texas convened at 8:38 a.m. on June 16, 2017 with the following members present:

Finance Commission Members in Attendance:

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

Finance Commission Chairman Stacy G. London announced a quorum with ten members present. (00:01) start of discussion)

Stacy G. London made a motion to excuse Jay Shands from the Finance Commission meeting held on June 16, 2017. There were no objections and the motion passed unanimously. (00:16)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the April 21, 2017 Finance Commission Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	00:33 start of discussion
2. General Public Comment	No Action Required.	00:46 start of discussion
3. Consent Agenda – Item A1	Vince Puente made a motion to Approve Consent Agenda item A1. Will Lucas seconded and the motion passed.	1:06 start of discussion 1:26 vote
4. Finance Commission Operations	No Action Required.	1:50 start of discussion
5. Audit Committee Report		18:20 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's Report on Thrift Examinations as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Report on Thrift Examinations as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>18:27 start of discussion 18:42 vote</p>
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's Audit Report on Fixed Asset Management as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Audit Report on Fixed Asset Management as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>18:50 start of discussion 19:01 vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Revised Texas Financial Education Endowment (TFEE) Fund Grant Administration & Advisory Policy Manual and 2018-2019 Funding Priorities</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Revised Texas Financial Education Endowment (TFEE) Fund Grant Administration & Advisory Policy Manual and 2018-2019 Funding Priorities, as amended with corrections on Pages 76 and 81 passed.</p>	<p>19:21 start of discussion 19:27 vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of a New Grant Advisory Committee Member</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Appointment of a New Grant Advisory Committee Member passed.</p>	<p>19:41 start of discussion 19:52 vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Reapprove the Internal Auditor Contract for Garza/Gonzalez & Associates for Fiscal Year 2018</p>	<p>Coming upon Recommendation from the Audit Committee, no second is needed and the motion to Reapprove the Internal Auditor Contract for Garza/Gonzalez & Associates for Fiscal Year 2018 passed.</p>	<p>20:01 start of discussion 20:11 vote passed.</p>
<p>6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 9, §9.1 and §9.12, Regarding Contested Case Procedures</p>	<p>Molly Curl made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 9, §9.1 and §9.12, Regarding Contested Case Procedures. Lori McCool seconded and the motion passed.</p>	<p>20:27 start of discussion 30:38 vote</p>
<p>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 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>
<p>8. 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>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>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 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>
B. 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>31:17 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; and d) Other Items</p>	<p>No Action Required.</p>	<p>33:25 start of discussion</p>
<p>3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Items</p>	<p>No Action Required.</p>	<p>40:55 start of discussion</p>
<p>4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities</p>	<p>No Action Required.</p>	<p>41:29 start of discussion</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation</p> <p><i>Catherine Sims vs. Texas Department of Savings and Mortgage Lending, Cause No. D-1-GN-16-001194, 201st District Court, Travis County, Texas</i></p>	No Action Required.	n/a
C. OFFICE OF CONSUMER CREDIT COMMISSIONER		
<p>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</p>	No Action Required.	58:12 start of discussion
<p>2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New Rules in 7 TAC, Part 1, Chapter 7, Concerning the Texas Financial Education Endowment Fund</p>	Vince Puente made a motion to Approve the Proposal and Publication for Comment of New Rules in 7 TAC, Part 1, Chapter 7, Concerning the Texas Financial Education Endowment Fund. Molly Curl seconded and the motion passed.	1:24:58 start of discussion 1:27:59 vote
<p>3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales, and a Proposed New Rule in Chapter 86, Concerning Retail Creditors</p>	Phillip Holt made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales, and a Proposed New Rule in Chapter 86, Concerning Retail Creditors. Will Lucas seconded and the motion passed.	1:27:56 start of discussion 1:45:43 vote
<p>4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation</p> <p><i>Lynn Rowell d/b/a Beaumont Greenery,</i></p>	No Action Required.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p><i>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; Cause No. 1:14-cv-00190-LY, in the United States District Court, Western District of Texas, Austin Division</i></p>		
D. TEXAS DEPARTMENT OF BANKING		
<p>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</p>	<p>No Action Required.</p>	<p>1:47:08 start of discussion</p>

Chairman Stacy G. London called for an Executive Session at 11:17 a.m. (2:25:09 on the audio file). The open meeting resumed at 11:50 A.M. (2:25:24 on the audio file).

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 11:51 a.m. (2:25:40) on the audio file).

/s/Stacy G. London

Stacy G. London, Chairman
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Commissioner
Texas Department of Banking

/s/Anne Benites

Anne Benites, Executive Assistant
Finance Commission of Texas