

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, December 16, 2016**

The Finance Commission of Texas convened at 8:30 a.m. on December 16, 2016 with the following members present:

Finance Commission Members in Attendance:

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

Finance Commission Members Absent:

Will Lucas

Finance Commission Chairman Stacy G. London announced a quorum with ten members present.
(0:10) start of discussion)

Stacy G. London made a motion to excuse Will Lucas from the Finance Commission meeting held on December 16, 2016. There were no objections and the motion passed unanimously. (0:036)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the October 21, 2016 Finance Commission Meeting	On Consent Agenda – Item A1 This item approved on the Consent Agenda.	1:04 start of discussion
2. General Public Comment	No Action Required.	1:21 start of discussion
3. Consent Agenda – Items A1, C2, D2-D4	Molly Curl made a motion to approve Consent Agenda items A1, C2, D2-D4. Phillip Holt seconded and the motion passed.	1:33 start of discussion 2:12 vote
4. Finance Commission Operations	No Action Required.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. Discussion of Legislative Recommendations of the Department of Savings and Mortgage Lending, Texas Department of Banking, and the Office of Consumer Credit Commissioner	No Action Required.	2:47 start of discussion
6. Update on Audit Activities	No Action Required.	7:44 start of discussion
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	Deferred to Executive Session – no vote taken.	n/a
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	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 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

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
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 Merger Activity; c) Other Items	No Action Required.	22:23 start of discussion
2. 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.	26:30 start of discussion
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Items	No Action Required.	27:51 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	37:31 start of discussion
5. 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 st District Court, Travis County, Texas	No Action Required.	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.	47:38 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC Chapter 83, Subchapter B, Regarding Rules for Credit Access Businesses</p>	<p>On Consent Agenda – Item C2 This item approved on the Consent Agenda.</p>	<p>n/a</p>
<p>3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation</p> <p><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; Case No. 15-1455, in the Supreme Court of the United States</i></p>	<p>No Action Required.</p>	<p>n/a</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>1:10:52 start of discussion</p>
<p>2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, §12.91 Concerning Other Real Estate Owned</p>	<p>On Consent Agenda – Item D2 This item approved on the Consent Agenda.</p>	<p>n/a</p>
<p>3. Discussion of and Possible Vote to Take Action on the Adoption of Amendment to 7 TAC, §3.37 Concerning Calculation of Annual Assessment for Banks</p>	<p>On Consent Agenda – Item D3 This item approved on the Consent Agenda.</p>	<p>n/a</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendment to 7 TAC, §33.4 Concerning Payment Processors	On Consent Agenda – Item D4 This item approved on the Consent Agenda.	n/a
5. 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, 353rd District Court, Travis County, Texas.</i>	No Action Required.	n/a

Chairman Stacy G. London called for an Executive Session at 10:28 a.m.(1:43:00 on the audio file). The open meeting resumed at 11:02 a.m. (1:43:25 on the audio file).

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 11:02 a.m. (1:43:45) 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