

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, April 20, 2018**

The Finance Commission of Texas convened at 8:47 a.m. on April 20, 2018 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  
Will Lucas  
Lori McCool  
Matt Moore  
Vince Puente

Finance Commission Chairman Stacy G. London announced a quorum with ten members present.

Stacy G. London made a motion to excuse Paul Plunkett from the Finance Commission meeting held on April 20, 2018. There were no objections and the motion passed unanimously. (00:15)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. FINANCE COMMISSION MATTERS</b>		
1. Review and Approval of the Minutes of the February 16, 2018 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	2:55 start of discussion
2. General Public Comment	No Action Required.	3:05 start of discussion
3. Consent Agenda – Items A1, B2 and D2	Will Lucas made a motion to Approve Consent Agenda items A1, B2, and D2. Molly Curl seconded, and the motion passed.	3:23 start of discussion 4:59 vote
4. Finance Commission Operations	No Action Required.	3:41 start of discussion
5. Discussion of and Possible Vote to Take Action on the Texas Sunset Advisory Commission Staff Report	Phillip Holt made a motion to Approve the Study Committee (composed of Phillip Holt, Paul Plunkett, and Hector Cerna with the addition of Chairman Stacy G. London and Vice Chairman Jay Shands) to review to the Sunset Report and provide its	6:11 start of discussion 44:00 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
	recommendations to the Finance Commission at a special Finance Commission meeting to be held on May 2 <sup>nd</sup> at 1:00 p.m. Jay Shands seconded and the motion passed.	
6. Audit Committee Report		56:61 start of discussion
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' February 28, 2018 Investment Officer Reports</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' February 28, 2018 Investment Officer Reports passed.	57:01 start of discussion 57:06 vote
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2018 Second Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2018 Second Quarter Financial Statements passed.	57:17 start of discussion 57:28 vote
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Approve the Reserve and Expenditure of Funds for Building Deferred Maintenance</p>	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Reserve and Expenditure of Funds not to exceed \$950,000 for Building Deferred Maintenance passed.	57:30 start of discussion 57:40 vote
7. Discussion of and Possible Vote to Take Action on the Finance Commission Agencies' Fiscal Year 2018 Mid-Term Accomplishment Reports	Vince Puente made a motion to Approve the Finance Commission Agencies' Fiscal Year 2018 Mid-Term Accomplishment Reports.	57:52 start of discussion 1:02:35 vote

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	Bob Borochoff seconded and the motion passed.	
8. Discussion of the Report of the Financial Condition of the State Banking System	No Action Required	1:02:51 start of discussion
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	Deferred to Executive Session – no vote taken.	n/a
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 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	No Action Required.	1:19:56 start of discussion

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Division Activities; h) Legislative Activities; and i) General Items of Interest		
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 2, §33.27 Concerning Fees for Money Service Business Licenses	<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 the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 33, §§33.23, 33.31, 33.35, and 33.51 Concerning Money Services Businesses	Jay Shands made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 33, §§33.23, 33.31, 33.35, and 33.51 Concerning Money Services Businesses. Will Lucas seconded and the motion passed.	1:50:24 start of discussion 1:57:29 vote
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 3, §§3.4, 3.23, 3.36, 3.43, 3.44, 3.52, 3.55, and 3.92 Concerning State Bank Regulation	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 3, §§3.4, 3.23, 3.36, 3.43, 3.44, 3.52, 3.55, and 3.92 Concerning State Bank Regulation. Will Lucas seconded and the motion passed.	1:58:07 start of discussion 1:58:56 Vote
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	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 Application Activity; c) Other Items	No Action Required.	2:00:24 start of discussion

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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.	2:02:19 start of discussion
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Items	No Action Required.	2:05:47 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	2:10:16 start of discussion
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	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.	2:20:17 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments, New Rules, and a Repeal in 7 TAC, Part 5, Chapter 85, Subchapter B Concerning Rules for Crafted Precious Metal Dealers	<b>On Consent Agenda – Item D2</b> This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales	Lori McCool made a motion to Approve the Adoption of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales. Molly Curl seconded, and the motion passed.	2:39:41 start of discussion 2:47:16 vote

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<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, Montgomery Chandler, Inc., Paula Cook, Townsley Designs, LLC, and Shonda Townsley v. Ken Paxton, in his official capacity as Attorney General 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> <p><i>Ernest Polk v. Texas Office of Consumer Credit Commissioner; Cause No. 2018-04375, in the 281st Judicial District Court of Harris County, Texas</i></p> <p><i>State of Texas v. Cash Auto Sales, Inc. f/k/a Larry Lake d/b/a Cash Auto Sales and VIP Finance of Texas, Inc. f/k/a Travis Lake d/b/a VIP Finance; Cause No. 05-18-00198-CV, in the Court of Appeals for the Fifth Judicial District, Dallas, Texas</i></p>	n/a	n/a

Chairman Stacy G. London called for an Executive Session at 11:47 a.m. (2:47:54) on the audio file). The open meeting resumed at 11:55 a.m. (2:07:51) on the audio file).

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 12:07 p.m. (2:47:54) 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