

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, June 15, 2018**

The Finance Commission of Texas convened at 8:45 a.m. on June 15, 2018 with the following members present:

Finance Commission Members in Attendance:

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

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

Stacy G. London made a motion to excuse Jay Shands, Bob Borochoff, and Phillip Holt from the Finance Commission meeting held on June 15, 2018. There were no objections and the motion passed unanimously. (00:40)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. FINANCE COMMISSION MATTERS		
1. Review and Approval of the Minutes of the April 20, 2018 and May 2, 2018 Finance Commission Meetings	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	00:54 start of discussion
2. General Public Comment	No Action Required.	01:03 start of discussion
3. Consent Agenda – Items A1, C2, and C3	Molly Curl made a motion to Approve Consent Agenda items A1, C2, and C3. Matt Moore seconded, and the motion passed.	01:35 start of discussion 02:02 vote
4. Finance Commission Operations	No Action Required.	02:10 start of discussion
5. Discussion of the Review by the Texas Sunset Advisory Commission	No Action Required.	02:33 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. Audit Committee Report		06:13 start of discussion
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's Audit Report on the Prepaid Funeral Guaranty Funds as Prepared by Garza/Gonzalez and Associates	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 the Prepaid Funeral Guaranty Funds as Prepared by Garza/Gonzalez and Associates passed.	06:19 start of discussion 06:30 vote
7. Strategic Planning Committee Report		06:37 start of discussion
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the 2019-2023 Strategic Plans 1. Office of Consumer Credit Commissioner 2. Texas Department of Banking 3. Department of Savings and Mortgage Lending	Coming upon Recommendation from the Strategic Planning Committee, no second is required and the motion to Approve the Agencies 2019-2023 Strategic Plans passed.	06:45 start of discussion 07:09 vote
8. 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
9. 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

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>10. 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>
<p>D. OFFICE OF CONSUMER CREDIT COMMISSIONER</p>		
<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>	<p>No Action Required.</p>	<p>09:39 start of discussion</p>
<p>2. 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>	<p>No Action Required.</p>	<p>n/a start of discussion</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
C. TEXAS 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.	32:17 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption 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	On Consent Agenda – Item C2 This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 2, Chapter 33, §§33.23, 33.31, 33.35, and 33.51 Concerning Money Services Businesses	On Consent Agenda – Item C3 This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	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.	50:50 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.	55:53 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
3. Fiscal/Operations Activity: a) Funding Status/Audits/Financial Reporting; b) Staffing; and c) Other Items	No Action Required.	1:06:53 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	1:09:01 start of discussion
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

Chairman Stacy G. London called for an Executive Session at 9:55a.m. (1:11:45) *on the audio file*). The open meeting resumed at 10:23 a.m. (1:12:13) *on the audio file*).

There being no further business, Chairman Stacy G. London adjourned the meeting of the Finance Commission at 10:25 a.m. (1:14:09) *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