

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, February 15, 2019**

The Finance Commission of Texas convened at 8:30 a.m. on February 15, 2019 with the following members present:

Finance Commission Members in Attendance:

Paul W. Plunket, Chairman
Phillip Holt, Vice Chair
Bob Borochoff
Molly Curl
Stacy G. London
Will Lucas
Cliff McCauley
Lori McCool
Vince Puente

Finance Commission Chairman Paul Plunket announced a quorum with nine members present.

Chairman Paul Plunket made a motion to excuse Hector Cerna from the Finance Commission meeting held on February 15, 2019. There were no objections and the motion passed unanimously. (00:46)

Agenda Item	Action	Location on Video File
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the December 14, 2019 Finance Commission Meeting	On Consent Agenda – Item A1	00:01 start of discussion
2. General Public Comment	No Action Required.	01:10 start of discussion
3. Consent Agenda – Item A1	Molly Curl made a motion to Approve Consent Agenda item A1. Lori McCool seconded, and the motion passed.	02:06 start of discussion 02:23 vote
4. Finance Commission Operations	No Action Required.	02:46 start of discussion

5. Audit Committee Report		06:43 start of discussion
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' November 30, 2018 Investment Officer Reports</p> <ol style="list-style-type: none"> 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' November 30, 2018 Investment Officer Reports passed.</p>	<p>07:15 start of discussion</p> <p>07:33 vote</p>
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2019 First Quarter Financial Statements</p> <ol style="list-style-type: none"> 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2019 First Quarter Financial Statements passed.</p>	<p>07:42 start of discussion</p> <p>07:55 vote</p>
6. Discussion and Consultation with Attorney pursuant to §551.071, Texas Government Code, for the purpose of seeking the advice or attorney-client privileged communications from our attorneys, including presentation by Assistant Attorney General related to anti-lobbying regulations and interactions with the Legislature by the Finance Commission members	Deferred to Executive Session – no vote taken.	n/a
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

<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>
<p>10. Discussion of and Consultation on Security Audit, possible issue related to confidential or sensitive information, security breach audit and assessment, or security assessments or deployment related to information resources technology as authorized by Tex. Govt. Code Secs. 551.076 and 551.089</p>	<p>Deferred to Executive Session – no vote taken.</p>	<p>n/a</p>
<p>B. Department of Savings and Mortgage Lending</p>		
<p>1. Industry Status and Departmental Operations – State Savings Bank Activity: a) Industry Status; and b) State Savings Bank Charter and Application Activity</p>	<p>No Action Required.</p>	<p>08:30 start of discussion</p>
<p>2. Discussion of and Possible Vote to Take Action on the Assessments to be Paid by the Texas State Savings Banks</p>	<p>Phillip Holt made a motion to approve the Assessments to be Paid by the Texas State Savings Banks. Molly Curl seconded and the motion passed.</p>	<p>12:11 start of discussion 16:07 vote</p>
<p>3. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; and c) Consumer Complaints</p>	<p>No Action Required.</p>	<p>16:30 start of discussion</p>
<p>4. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing</p>	<p>No Action Required.</p>	<p>20:25 start of discussion</p>

5. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	21:34 start of discussion
6. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	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.	43:28 start of discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Texas Office of Consumer Credit Commissioner v. Tim McMahan d/b/a Advantage Auto; Cause No. D-1-GN-17-005451, in the 98th District Court of Travis County, Texas</i> <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> <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>	No Action Required.	n/a
D. Texas Department of Banking		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Special Audits Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint	No Action Required.	01:02:09 start of discussion

Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities		
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

Chairman Paul Plunket called for an Executive Session at 10:03 a.m. (01:22:43) on the audio file). The open meeting resumed at 10:56 a.m. (01:24:16) on the audio file.)

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 10:57 a.m. (1:25:20) on the audio file).

/s/ Paul W. Plunket
Paul W. Plunket, Chairman
Finance Commission of Texas

/s/ Charles G. Cooper
Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/ Brenda Medina for
Anne Benites, Executive Assistant
Finance Commission of Texas