

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, April 12, 2019**

The Finance Commission of Texas convened at 8:00 a.m. on April 12, 2019 with the following members present:

Finance Commission Members in Attendance:

Paul W. Plunket, Chairman
Phillip Holt, Vice Chair
Bob Borochoff
Hector Cerna
Molly Curl
Stacy G. London
Will Lucas

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

Chairman Paul Plunket made a motion to excuse Vince Puente, Lori McCool and Cliff McCauley from the Finance Commission meeting held on April 12, 2019. There were no objections and the motion passed unanimously. (:19 on audio file)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the February 15, 2019 Finance Commission Meeting	On Consent Agenda – Item A1	1:23 start of discussion
2. General Public Comment	No Action Required.	:56 start of discussion
3. Consent Agenda – Item A1	Will Lucas made a motion to Approve Consent Agenda item A1. Stacy London seconded, and the motion passed.	1:23 start of discussion 1:45 vote
4. Finance Commission Operations	No Action Required.	2:10 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. Audit Committee Report		
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' February 28, 2019 Investment Officer Reports</p> <ol style="list-style-type: none"> 1. Texas Department of Banking 2. Department of Savings and Mortgage Lending 3. Office of Consumer Credit Commissioner 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' February 28, 2019 Investment Officer Reports passed.</p>	<p>6:55 start of discussion</p> <p>7:12 Vote</p>
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's Internal Audit Report as Prepared and Presented by McConnell & Jones LLP Regarding the Investment Administration Controls of the Texas Financial Education Endowment Fund.</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's Internal Audit Report as Prepared and Presented by McConnell & Jones LLP Regarding the Investment Administration Controls of the Texas Financial Education Endowment Fund was made by Molly Curl. Molly Curl then made a motion to amend pages 23 and 25 of the Audit Report adding green checks to note that all requirements have been met. Hector Cerna seconded, and the amended motion passed.</p>	<p>7:26 start of discussion</p> <p>8:30 Vote</p>
<p>6. Update on Efficiency Audit Services by McConnell & Jones, LLP</p>	<p>No Action Required.</p>	<p>9:15 start of discussion</p>
<p>7. Discussion of and Possible Vote to Take Action on the Finance Commission Agencies' Fiscal Year 2019 Mid-Term Accomplishment Reports</p>	<p>Phillip Holt made a motion to Approve the Finance Commission Agencies' Fiscal Year 2019 Mid-Term Accomplishment Reports. Bob Borochoff seconded, and the motion passed.</p>	<p>40:30 start of discussion</p> <p>52:25 vote</p>
<p>8. Discussion of the Report of the Financial Condition of the State Banking System (Note: Report provided separately)</p>	<p>No Action Required.</p>	<p>52:47 start of discussion</p>
<p>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</p>	<p>Deferred to Executive Session – no vote taken.</p>	<p>n/a</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
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
12. 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	Deferred to Executive Session – no vote taken.	n/a
B. 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 Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	1:07:16 start of discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
C. Department of Savings and Mortgage Lending		
1. Industry Status and Departmental Operations – State Savings Bank Activity: a) Industry Status; and b) State Savings Bank Charter and Application Activity	No Action Required.	1:35:00 start of discussion
2. Discussion of and Possible Vote to Take Action on the Maximum Annual Assessment Rate Schedule for Texas State Savings Banks	Molly Curl made a motion to approve the Maximum Annual Assessment Rate Schedule for Texas State Savings Banks. Will Lucas seconded and the motion passed.	1:39:21 start of discussion 1:41:47 Vote
3. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; and c) Consumer Complaints	No Action Required.	1:42:12 start of discussion
4. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing	No Action Required.	1:46:01 start of discussion
5. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	1:47:27 start of discussion
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §80.201(a) and (b), concerning Loan Status Forms	Stacy London made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC §80.201(a) and (b), concerning Loan Status Forms. Phillip Holt seconded and the motion passed.	2:11:12 start of discussion 2:14:09 Vote
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §81.201(a) and (b), concerning Loan Status Forms	Phillip Holt made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC §81.201(a) and (b), concerning Loan Status Forms. Stacy London seconded and the motion passed.	2:14:33 start of discussion 2:15:53 vote
8. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
D. 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.	2:16:28 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</i> ; Cause No. D-1-GN-17-005451, in the 98th District Court of Travis County, Texas <i>Ernest Polk v. Texas Office of Consumer Credit Commissioner</i> ; Cause No. 2018-04375, in the 281st Judicial District Court of Harris County, Texas <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</i> ; Cause No. 05-18-00198-CV, in the Court of Appeals for the Fifth Judicial District, Dallas, Texas	No Action Required.	n/a

Chairman Paul Plunket called for an Executive Session at 10:55 a.m. (2:38:52 on the audio file). The open meeting resumed at 11:36 a.m. (2:39:52 on the audio file.)

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 11:37 a.m. (2:40:31 on the audio file).

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

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

/s/
 Brenda Medina, Executive Assistant
 Finance Commission of Texas