

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, June 21, 2019**

The Finance Commission of Texas convened at 8:06 a.m. on June 21, 2019 with the following members present:

**Finance Commission Members in Attendance:**

Paul W. Plunket, Chairman	Stacy G. London
Phillip Holt, Vice Chair	George "Cliff" McCauley
Bob Borochoff	Lori B. McCool
Hector Cerna	Vince Puente
Molly Curl	Robin Armstrong

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

Chairman Paul Plunket made a motion to excuse Will Lucas from the Finance Commission meeting held on June 21, 2019. There were no objections and the motion passed unanimously. (:43 on audio file)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. Finance Commission Matters</b>		
1. Review and Approval of the Minutes of the April 12, 2019 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b>	2:03 start of discussion
2. General Public Comment	No Action Required.	1:39 start of discussion
3. Consent Agenda – Item A1	Phillip Holt made a motion to Approve Consent Agenda item A1. Stacy London seconded, and the motion passed.	2:03 start of discussion  2:28 vote
4. Finance Commission Operations	No Action Required.	2:53 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>5. Audit Committee Report</b>		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Second Quarter Financial Statements. <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Texas Department of Banking</li> <li>3. Department of Savings and Mortgage Lending</li> </ol>	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2019 Second Quarter Financial Statements passed.	4:26 start of discussion  4:35 Vote
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Financial Education Endowment (TFEE) 2020-2021 Funding Priorities	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Financial Education Endowment (TFEE) 2020-2021 Funding Priorities passed.	4:54 start of discussion  5:05 Vote
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of a New Grant Advisory Committee Member	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve Roy Lopez as a Grant Advisory Committee member passed.	5:16 start of discussion  5:25 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve an Amount for the Upcoming 2020-21 Grant Cycle for the Texas Financial Education Endowment (TFEE)	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve \$300,000 for the Upcoming 2020-21 Grant Cycle for the Texas Financial Education Endowment (TFEE) passed.	5:57 start of discussion  6:06 Vote
6. Discussion of and Possible Vote to Take Action on Sunset Recommendation 2.6 – “Direct the Finance Commission to minimize duplication of agency functions and promote more cost efficient administration of the finance agencies	No Action Taken.	6:22 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
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
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	Deferred to Executive Session – no vote taken.	n/a
<b>B. 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.	49:00 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments, New Rules, and a Repeal in 7 TAC, Part 1, Chapter 2, and Part 5, Chapters 82, 83, 84, 85, 86, 87, 88, and 89, Concerning Licensing, Registration, Administration, Complaints, and Appeals	Vince Puente made a motion to approve the Proposal and Publication for Comment of Amendments, New Rules, and a Repeal in 7 TAC, Part 1, Chapter 2, and Part 5, Chapters 82, 83, 84, 85, 86, 87, 88, and 89, Concerning Licensing, Registration, Administration, Complaints, and Appeals. Bob Borochoff seconded and the motion passed.	1:33:34 start of discussion  1:42:47 vote
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops	Molly Curl made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops. Stacy London seconded and the motion passed.	1:43:30 start of discussion  1:50:33 vote
4. 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

Chairman Paul Plunket called for a break at 10:56 a.m. (1:51:04 on the audio file). The open meeting resumed at 10:10 a.m. (1:51:17 on the audio file.)

<b>C. Texas Department of Banking</b>		
<p>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</p>	<p>No Action Required.</p>	<p>1:51:30 start of discussion</p>
<p>2. <b>Consent Agenda – Item C2</b></p>	<p>Phillip Holt made a motion to Approve Consent Agenda item C2. Stacy London seconded, and the motion passed.</p>	<p>2:03 start of discussion  2:38 Vote</p>
<p>3. <b>Consent Agenda – Item C3</b></p>	<p>Phillip Holt made a motion to Approve Consent Agenda item C3. Stacy London seconded, and the motion passed.</p>	<p>2:03 start of discussion  2:38 Vote</p>
<p>4. <b>Consent Agenda – Item C4</b></p>	<p>Phillip Holt made a motion to Approve Consent Agenda item C4. Stacy London seconded, and the motion passed.</p>	<p>2:03 start of discussion  2:38 Vote</p>
<p>5. <b>Consent Agenda – Item C5</b></p>	<p>Phillip Holt made a motion to Approve Consent Agenda item C5. Stacy London seconded, and the motion passed.</p>	<p>2:03 start of discussion  2:38 Vote</p>

<b>AGENDA ITEM</b>	<b>ACTION</b>	<b>LOCATION ON AUDIO FILE</b>
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 11, §§11.10, 11.11 and 11.12 Concerning Complaint Handling Procedures	Cliff McCauley made a motion to approve the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 11, §§11.10, 11.11 and 11.12 Concerning Complaint Handling Procedures. Phillip Holt seconded and the motion passed.	2:26:12 start of discussion  2:33:13 Vote
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC, Part 1, Chapter 3, §3.24 Concerning Notification in Event of Cybersecurity Breach of State Banks	Stacy London made a motion to approve the Proposal and Publication for Comment of New 7 TAC, Part 1, Chapter 3, §3.24 Concerning Notification in Event of Cybersecurity Breach of State Banks. Lori McCool seconded and the motion passed.	2:34:05 start of discussion  2:44:18 Vote
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 17, §17.5 Concerning Notification in Event of Cybersecurity Breach of State Trust Companies	Vince Puente made a motion to approve the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 17, §17.5 Concerning Notification in Event of Cybersecurity Breach of State Trust Companies. Cliff McCauley seconded and the motion passed.	2:44:49 start of discussion  2:46:17 Vote
9. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 33, §33.30 Concerning Notification in Event of Cybersecurity Breach of Money Services Businesses	Molly Curl made a motion to approve the Proposal and Publication for Comment of New 7 TAC, Part 2, Chapter 33, §33.30 Concerning Notification in Event of Cybersecurity Breach of Money Services Businesses. Stacy London seconded and the motion passed.	2:46:48 start of discussion  2:47:45 Vote
10. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 25, §§25.13, 25.23, and 25.24 Concerning Assessments on Prepaid Funeral Contract Sellers	Hector Cerna made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 25, §§25.13, 25.23, and 25.24 Concerning Assessments on Prepaid Funeral Contract Sellers. Stacy London seconded and the motion passed.	2:48:21 start of discussion  2:54:14 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
11. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 26, §26.1 Concerning Assessments on Perpetual Care Cemeteries	Cliff McCauley made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 26, §26.1 Concerning Assessments on Perpetual Care Cemeteries. Phillip Holt seconded and the motion passed.	2:55:00 start of discussion  2:55:40 Vote
12. Discussion and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeal of 7 TAC, Part 2, Chapter 24, §§24.1 – 24.4 Concerning Cemetery Brokers	Cliff McCauley made a motion to approve the Proposal and Publication for Comment of Repeal of 7 TAC, Part 2, Chapter 24, §§24.1 – 24.4 Concerning Cemetery Brokers. Molly Curl seconded and the motion passed.	2:56:14 start of discussion  2:58:06 Vote
13. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>D. Department of Savings and Mortgage Lending</b>		
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.	2:58:41 start of discussion
2. Industry Status and Departmental Operations – Mortgage Lending Activity: a) Residential Mortgage Loan Originators; b) Mortgage Examination; and c) Consumer Complaints	No Action Required.	3:00:24 start of discussion
3. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing	No Action Required.	3:01:58 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	3:03:47 start of discussion
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC, Part 4, Chapter 52 as found in the following sections: §52.10 Definitions, §52.11 Complaint Processing, §52.12 Complaint Resolution and Disposition, §52.13 Complaint Review and Reporting	Molly Curl made a motion to approve the Proposal and Publication for Comment of New 7 TAC, Part 4, Chapter 52 as found in the following sections: §52.10 Definitions, §52.11 Complaint Processing, §52.12 Complaint Resolution and Disposition, §52.13 Complaint Review and Reporting. Stacy London seconded and the motion passed.	3:09:25 start of discussion  3:13:18 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6-11. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 4, §61.1, §64.10, §76.122, §76.71, §79.20, §79.30, §80.301, §80.302, §81.301, and §81.302 which relate to consumer complaints and hearings	Phillip Holt made a motion to approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 4, §61.1, §64.10, §76.122, §76.71, §79.20, §79.30, §80.301, §80.302, §81.301, and §81.302 which relate to consumer complaints and hearings. Stacy London seconded and the motion passed.	3:09:25 start of discussion  3:14:06 vote
12. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 11:44 a.m. (3:24:17 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