

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, December 13, 2019**

The Finance Commission of Texas convened at 8:35 a.m. on December 13, 2019 with the following members present:

**Finance Commission Members in Attendance:**

Paul W. Plunket, Chairman	Will Lucas
Phillip Holt, Vice Chair	George “Cliff” McCauley
Hector Cerna	Lori B. McCool
Molly Curl	Vince Puente
Stacy G. London	

There was a quorum with nine members present.

Chairman Paul Plunket made a motion to excuse Bob Borochoff and Robin Armstrong from the Finance Commission meeting held on December 13, 2019. There were no objections and the motion passed unanimously. (:28 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 October 18, 2019 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b>	1:34 start of discussion
2. General Public Comment	No Action Required.	1:08 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.	1:34 start of discussion  1:58 vote
4. Finance Commission Operations	No Action Required.	2:27 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>5. Audit Committee Report</b>		
A. Discussion and Possible Vote to Recommend that the Finance Commission Take Action on the Selection of an Internal Auditor for the Finance Commission Agencies for Fiscal Year 2020	Deferred to after Executive Session – no vote taken.	3:44 start of discussion
6. Discussion of and Possible Vote to Take Action on the Adoption of New Rules and Amendments in 7 TAC, Chapter 5, Concerning Administration of Finance Agencies, and a New Rule, Amendments, and Repeals in 7 TAC, Chapter 9 Concerning Rules of Procedure for Contested Case Hearings, Appeals, and Rulemakings	Stacy London made a motion to Approve the Adoption of New Rules and Amendments in 7 TAC, Chapter 5, Concerning Administration of Finance Agencies, and a New Rule, Amendments, and Repeals in 7 TAC, Chapter 9 Concerning Rules of Procedure for Contested Case Hearings, Appeals, and Rulemakings. Will Lucas seconded and the motion passed.	4:04 start of discussion  5:52 Vote
7. Discussion of and Possible Vote to Take Action on the Re-Adoption after Rule Review of 7 TAC, Chapter 155, Payoff Statements	Vince Puente made a motion to Approve the Re-Adoption after Rule Review of 7 TAC, Chapter 155, Payoff Statements. Lori McCool seconded and the motion passed.	6:30 start of discussion  10:28 Vote
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to the Payoff Statement Form found at 7 TAC, Chapter 155 Payoff Statements, §155.2(c)(6)	Stacy London made a motion to Approve the Proposal and Publication for Comment of Amendments to the Payoff Statement Form found at 7 TAC, Chapter 155 Payoff Statements, §155.2(c)(6). Lori McCool seconded and the motion passed.	10:51 start of discussion  16:13 Vote
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	Discussion only – no vote taken.	16:49 start of discussion

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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>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.	22:35 start of discussion
2. Discussion of and Possible Vote to Take Action on Request for an Attorney General Opinion RQ-0300-KP, Regarding the Authority of a Credit Services Organization Under Chapter 393 of the Texas Finance Code	Deferred to Executive Session – no vote taken.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation</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>Deferred to Executive Session – no vote taken.</p>	<p>n/a</p>

Chairman Paul Plunket called for a break at 9:49 a.m. (1:13:28 on the audio file). The open meeting resumed at 10:04 a.m. (1:13:45 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) Non-Depository Supervision 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>1:13:51 start of discussion</p>
<p>2. Discussion of and Possible Vote to Take Action on the Reappointment of Rebecca Ann Motley as the Consumer Representative and the Reappointment of Amy Biggs as the Insurance Industry Representative to the Guaranty Fund Advisory Council for the Period January 1, 2020 to December 31, 2021</p>	<p>Cliff McCauley made a motion to Approve the Reappointment of Rebecca Ann Motley as the Consumer Representative and the Reappointment of Amy Biggs as the Insurance Industry Representative to the Guaranty Fund Advisory Council for the Period January 1, 2020 to December 31, 2021. Phillip Holt seconded and the motion passed.</p>	<p>1:42:53 start of discussion</p> <p>1:44:20 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>3. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC §3.24 Concerning Notice of Cybersecurity Incident (State Banks)</p>	<p>Public Comment was made by Chris Furlow on behalf of the Texas Bankers Association (TBA). Stacy London made a motion to Approve the Adoption of New 7 TAC §3.24 Concerning Notice of Cybersecurity Incident (State Banks). Phillip Holt seconded and there was further discussion. Stacy London made a motion to amend the primary motion (primary amendment) with the language that the Finance Commission Approve the Adoption of New 7 TAC §3.24 Concerning Notice of Cybersecurity Incident (State Banks) based on the new documentation handed out by Attorney Everette Jobe. Molly Curl seconded and the amended motion passed.</p>	<p>1:45:30 start of discussion</p> <p>2:20:53 Vote</p>
<p>4. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC §17.5 Concerning Notice of Cybersecurity Incident (State Trust Companies)</p>	<p>Stacy London made a motion to Approve the Adoption of New 7 TAC §17.5 Concerning Notice of Cybersecurity Incident (State Trust Companies). Phillip Holt seconded and there was further discussion. Cliff McCauley made a motion to amend the primary motion (primary amendment) with the language that the Finance Commission Approve the Adoption of New 7 TAC §17.5 Concerning Notice of Cybersecurity Incident (State Trust Companies) based on the new documentation handed out by Attorney Everette Jobe. Stacy London seconded and the amended motion passed.</p>	<p>2:22:44 start of discussion</p> <p>2:22:46 Vote</p>
<p>5. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC §33.30 Concerning Notice of Cybersecurity Incident (Money Services Businesses)</p>	<p>Molly Curl made a motion to Approve the Adoption of New 7 TAC §33.3 Concerning Notice of Cybersecurity Incident (Money Services Businesses). Phillip Holt seconded and there was further discussion. Stacy London made a motion to amend the primary motion (primary amendment) with the language that the Finance Commission Approve the Adoption of New 7 TAC §33.30 Concerning Notice of Cybersecurity Incident (Money Services Businesses) based on the new documentation handed out by Attorney Everette Jobe. Molly Curl seconded and the amended motion passed.</p>	<p>2:23:59 start of discussion</p> <p>2:24:05 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. <b>Consent Agenda – Item B6</b>	Phillip Holt made a motion to Approve Consent Agenda item B6. Stacy London seconded and the motion passed.	1:34 start of discussion  1:58 vote
7. <b>Consent Agenda – Item B7</b>	Phillip Holt made a motion to Approve Consent Agenda item B7. Stacy London seconded and the motion passed.	1:34 start of discussion  1:58 vote
8. <b>Consent Agenda – Item B8</b>	Phillip Holt made a motion to Approve Consent Agenda item B8. Stacy London seconded and the motion passed.	1:34 start of discussion  1:58 vote
9. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New 7 TAC §33.54 Concerning Exemption for Registered Securities Dealers and Agents	Phillip Holt made a motion to Approve the Proposal and Publication for Comment of New 7 TAC §33.54 Concerning Exemption for Registered Securities Dealers and Agents. Molly Curl seconded and the motion passed.	2:25:09 start of discussion  2:27:49 Vote
10. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <i>E. Mex. Financial Services, Inc. v. Charles G. Cooper, Texas Banking Commissioner; Cause No. D-1-GN-19-003237, in the 200<sup>th</sup> District Court of Travis County, Texas</i>	No Action Required.	n/a

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<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.	2:28:22 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.	2:31:35 start of discussion
3. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing	No Action Required.	2:39:01 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	2:40:27 start of discussion
5. <b>Consent Agenda – Item D5</b>	Phillip Holt made a motion to Approve Consent Agenda item D5. Stacy London seconded and the motion passed.	1:34 start of discussion  1:58 vote
6. 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 11:34 a.m. (2:45:42 on the audio file). The open meeting resumed at 12:09 p.m. (2:46:04 on the audio file).

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 12:10 p.m. (2:46:40 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

Brenda Medina, Executive Assistant  
 Finance Commission of Texas