

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, February 14, 2020**

The Finance Commission of Texas convened at 9:13 a.m. on February 14, 2020 with the following members present:

**Finance Commission Members in Attendance:**

Paul W. Plunket, Chairman	Molly Curl
Phillip Holt, Vice Chair	Will Lucas
Robin Armstrong, M.D.	George “Cliff” McCauley
Bob Borochoff	Lori B. McCool
Hector Cerna	Vince Puente

Chairman Paul Plunket announced there was a quorum with ten members present. (:19 on audio file).

Chairman Paul Plunket made a motion to excuse Stacy London from the Finance Commission meeting held on February 14, 2020. There were no objections and the motion passed unanimously. (31:01 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 December 13, 2019 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b>	2:25 start of discussion
2. General Public Comment	No Action Required.	1:44 start of discussion
3. Consent Agenda – Item A1	Vince Puente made a motion to Approve Consent Agenda item A1. Lori McCool seconded and the motion passed.	2:25 start of discussion  2:55 vote
4. Finance Commission Operations	No Action Required.	3:23 start of discussion
5. Presentation from the Texas Treasury Safekeeping Trust Company	No Action Required.	2:01:01 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>6. Special Committee to Recommend Internal Auditor Report</b>		
A. Review and Approval of the Minutes of the January 30, 2020 Special Committee to Recommend Internal Auditor Meeting	No Action Required. Item removed from agenda.	3:50 start of discussion
B. 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	Coming upon Recommendation from the Special Committee to Recommend Internal Auditor, no second is required and the motion to approve Garza/Gonzalez & Associates as the Internal Auditor for the Finance Commission Agencies for Fiscal Year 2020 passed.	4:14 start of discussion  4:58 Vote
<b>7. Audit Committee Report</b>		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' November 30, 2019 Investment Officer Reports  1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Agencies' November 30, 2019 Investment Officer Reports passed.	5:30 start of discussion  5:34 Vote
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 First Quarter Financial Statements  1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Agencies' 2020 First Quarter Financial Statements passed.	5:56 start of discussion  6:03 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds in an Aggregate Amount Not to Exceed \$300,000 From 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 Final Selection of Organizations to Receive Grant Funds in an Aggregate Amount of \$300,000 from the Texas Financial Education Endowment Fund passed.</p> <ul style="list-style-type: none"> <li>• Girl Scouts of Northeast Texas – \$35,000</li> <li>• Building Financial Capacity Coalition – \$27,000</li> <li>• First Light Community Foundation – \$13,000</li> <li>• Women’s Resource Center of Greater Houston – \$35,000</li> <li>• Family Services Association of San Antonio, Inc. – \$30,000</li> <li>• Foundation Communities – \$30,000</li> <li>• Family Eldercare – \$30,000</li> <li>• Easter Seals of Greater Houston – \$35,000</li> <li>• Center for Transforming Lives – \$35,000</li> <li>• Texas State Affordable Housing Corp. – \$30,000</li> </ul>	<p>6:15 start of discussion</p> <p>7:10 Vote</p>
<p>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</p>	<p>Deferred to Executive Session – no vote taken.</p>	<p>7:35 start of discussion</p>
<p>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</p>	<p>Deferred to Executive Session – no vote taken.</p>	<p>n/a</p>
<p>10. Discussion of 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>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
11. 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. 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.	8:25 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.	10:00 start of discussion
3. Fiscal and Departmental Operations: a) Funding Status/Audits/Financial Reporting; and b) Staffing	No Action Required.	17:05 start of discussion
4. Legal Activity: a) Enforcement; b) Gift Reporting; and c) Legislative Activities	No Action Required.	19:26 start of discussion
5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>C. 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.	31:37 start of discussion
2. Discussion of and Possible Vote to Take Action in Response to Attorney General Opinion KP-0277 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
3. <b>Consent Agenda- Item C3</b>	Vince Puente made a motion to Approve Consent Agenda item C3. Lori McCool seconded and the motion passed.	2:25 start of discussion  2:55 vote
4. <b>Consent Agenda – Item C4</b>	Vince Puente made a motion to Approve Consent Agenda item C4. Lori McCool seconded and the motion passed.	2:25 start of discussion  2:55 vote
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner, Resulting from Rule Review	Molly Curl made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner, Resulting from Rule Review. Cliff McCauley seconded and the motion passed.	1:15:48 start of discussion  1:19:42 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to §86.201 in 7 TAC, Part 5, Chapter 86, Concerning Retail Creditors, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of Amendments to §86.201 in 7 TAC, Part 5, Chapter 86, Concerning Retail Creditors, Resulting from Rule Review. Bob Borochoff seconded and the motion passed.	1:20:27 start of discussion  1:21:53 vote
7. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <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; Case No. 19-0999, in the Supreme Court of Texas</i>	Deferred to Executive Session – no vote taken.	n/a

Chairman Paul Plunket called for a break at 10:35 a.m. (1:22:25 on the audio file). The open meeting resumed at 10:50 a.m. (1:22:36 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>D. Texas Department of Banking</b>		
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	No Action Required.	1:23:00 start of discussion
2. Consent Agenda- Item D2	Vince Puente made a motion to Approve Consent Agenda item D2. Lori McCool seconded and the motion passed.	2:25 start of discussion  2:55 vote
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §§25.7, 25.10, 25.11, 25.13, 25.17, 25.19, 25.24, 25.25, and 25.31 Concerning Contract Forms and Regulation of Licensees, Resulting from Rule Review	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §§25.7, 25.10, 25.11, 25.13, 25.17, 25.19, 25.24, 25.25, and 25.31 Concerning Contract Forms and Regulation of Licensees, Resulting from Rule Review. Robin Armstrong seconded and the motion passed.	1:58:24 start of discussion  2:00:02 vote
4. 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 11:51 a.m. (2:23:43 on the audio file). The open meeting resumed at 12:09 p.m. (2:24:06 on the audio file).

There being no further business, Chairman Paul Plunket adjourned the meeting of the Finance Commission at 12:11 p.m. (2:25:47 on the audio file).

/s/ Phillip A. Holt

Phillip A. Holt, 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