

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, April 17, 2020**

The Finance Commission of Texas convened at 9:32 a.m. on April 17, 2020 with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Will Lucas
Bob Borochoff	George “Cliff” McCauley
Hector Cerna	Lori B. McCool
Molly Curl	Vince Puente
Stacy G. London	

Chairman Phillip Holt announced there was a quorum with nine members present. (2:20:53 on audio file). Note: This was a correction to the original announcement of ten members present.

Chairman Phillip Holt made a motion to excuse Dr. Robin Armstrong from the Finance Commission meeting held on April 17, 2020. There were no objections and the motion passed unanimously. (:10 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 February 14, 2020 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b>	6:28 start of discussion
2. General Public Comment	No Action Required.	5:40 start of discussion
3. Consent Agenda – Item A1	Vince Puente made a motion to Approve Consent Agenda item A1. Stacy London seconded and the motion passed.	6:22 start of discussion  6:52 vote
4. Finance Commission Operations	No Action Required.	7:31 start of discussion
5. Report on COVID–19 from the Finance Commission Agencies	No Action Required.	9:10 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>6. Audit Committee Report</b>		
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ Fiscal Year 2020 Internal Auditor’s Risk Assessment and Audit Plan</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Agencies’ Fiscal Year 2020 Internal Auditor’s Risk Assessment and Audit Plan passed.</p>	<p>51:05 start of discussion  51:25 Vote</p>
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ February 29, 2020 Investment Officer Reports</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Agencies’ February 29, 2020 Investment Officer Reports passed.</p>	<p>56:32 start of discussion  56:52 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2020 Second Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Agencies’ 2020 Second Quarter Financial Statements passed.</p>	<p>57:13 start of discussion  57:31 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Reduction of Assessment Rates, and the Reserve and Expenditure of Funds for Thrift Examination and Supervision for FY2020, as needed, in Connection with the Charles Schwab Bank, SSB and Charles Schwab Premier Bank, SSB Conversions</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to approve the Reduction of Assessment Rates, and the Reserve and Expenditure of Funds for Thrift Examination and Supervision for FY2020, as needed, not to exceed \$100,000, in Connection with the Charles Schwab Bank, SSB and Charles Schwab Premier Bank, SSB Conversions passed.</p>	<p>57:50 start of discussion  58:31 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
7. Status Report on Implementation of Finance Commission Directive on the Efficiency Audit Regarding 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 Required.	58:56 start of discussion
8. Discussion of the Process for the 2021-2025 Strategic Plans for the Finance Commission Agencies	No Action Required.	1:02:09 start of discussion
9. Discussion of and Possible Vote to Take Action on the Finance Commission Agencies’ Fiscal Year 2020 Mid-Term Accomplishment Reports	Stacy London made a motion to Approve the Finance Commission Agencies’ Fiscal Year 2020 Mid-Term Accomplishment Reports. Molly Curl seconded and the motion passed.	1:05:19 start of discussion  1:05:48 Vote
10. Discussion of the Condition of the Texas State Banking System Report <i>(Note: Report provided separately)</i>	No Action Required.	1:06:24 start of discussion
11. 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.	1:06:54 start of discussion
12. 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.	1:07:47 start of discussion
13. 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	Deferred to Executive Session – no vote taken.	1:08:38 start of discussion

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14. 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
15. Discussion of and Consultation on Matters Made Confidential by Law as Authorized by Tex. Govt. Code Sec. 551.0811	Deferred to Executive Session – no vote taken.	1:09:12 start of discussion
<b>B. 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.	1:09:31 start of discussion
2. <b>Consent Agenda – Item B2</b>	Vince Puente made a motion to Approve Consent Agenda item B2. Stacy London seconded and the motion passed.	6:22 start of discussion 6:52 vote
3. <b>Consent Agenda – Item B3</b>	Vince Puente made a motion to Approve Consent Agenda item B3. Stacy London seconded and the motion passed.	6:22 start of discussion 6:52 vote
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendment to 7 TAC §33.27 Concerning Fees for Money Services Businesses Licenses	Vince Puente made a motion to Approve the amended Proposal and Publication for Comment of Amendment to 7 TAC §33.27 Concerning Fees for Money Services Businesses Licenses. Molly Curl seconded and the motion passed.	1:25:24 start of discussion 1:28:17 Vote
5. 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
<b>C. Department of Savings and Mortgage Lending</b>		
1. Industry Status and Departmental Operations: a) State Savings Bank Examinations and Supervision Division Activities; b) Mortgage Licensing Division Activities; c) Mortgage Examinations Division Activities; d) Consumer Complaints Division Activities; e) Administration and Finance Division Activities; f) Legal Division Activities, including Gift Reporting; and g) Legislative Activities	No Action Required.	1:29:05 start of discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §77.73 Concerning Investment in Banking Premises and Other Real Estate Owned	Molly Curl made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §77.73 Concerning Investment in Banking Premises and Other Real Estate Owned. Stacy London seconded and the motion passed.	1:49:45 start of discussion  1:57:09 Vote
3. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>D. 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.	1:58:02 start of discussion
2. <b>On Consent – Item D2</b>	Vince Puente made a motion to Approve Consent Agenda item D2. Stacy London seconded and the motion passed.	6:22 start of discussion  6:52 Vote
3. <b>On Consent – Item D3</b>	Vince Puente made a motion to Approve Consent Agenda item D3. Stacy London seconded and the motion passed.	6:22 start of discussion  6:52 Vote
4. <b>On Consent – Item D4</b>	Vince Puente made a motion to Approve Consent Agenda item D4. Stacy London seconded and the motion passed.	6:22 start of discussion  6:52 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. <b>On Consent - Item D5</b>	Vince Puente made a motion to Approve Consent Agenda item D5. Stacy London seconded and the motion passed.	6:22 start of discussion  6:52 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 90, Concerning Chapter 342, Plain Language Contract Provisions, Resulting from Rule Review	Stacy London made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 90, Concerning Chapter 342, Plain Language Contract Provisions, Resulting from Rule Review. Will Lucas seconded and the motion passed.	2:16:21 start of discussion  2:19:13 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 Phillip Holt called for an Executive Session at 11:53 a.m. (2:20:20 on the audio file). The open meeting resumed at 12:20 p.m. (2:20:43 on the audio file).

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 12:22 p.m. (2:22:23 on the audio file).

/s/ Phillip Holt

Phillip 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