

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, June 19, 2020**

The Finance Commission of Texas convened at 9:10 a.m. on June 19, 2020 with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Molly Curl	Larry Long
George "Cliff" McCauley, Vice Chairman	Will Lucas	
Dr. Robin Armstrong	Sharon McCormick	
Bob Borochoff	Laura Warren	
Hector Cerna	Vince Puente	

Chairman Phillip Holt announced there was a quorum with eleven members present. (1:38 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 17, 2020 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b>	4:10 start of discussion
2. General Public Comment	No Action Required.	4:20 start of discussion
3. Consent Agenda – Item A1	Laura Warren made a motion to Approve Consent Agenda item A1. Molly Curl seconded and the motion passed.	5:07 start of discussion  5:37 Vote
4. Finance Commission Operations	No Action Required.	6:06 start of discussion
<b>5. Audit Committee Report</b>		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Reapprove the Internal Auditor Contract for Garza/Gonzalez & Associates for Fiscal Year 2021	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Reapprove the Internal Auditor Contract for Garza/Gonzalez & Associates for Fiscal Year 2021 passed.	15:46 start of discussion  16:04 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>6. Strategic Planning Committee Report</b>		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021-2025 Strategic Plans  1. Office of Consumer Credit Commissioner 2. Texas Department of Banking 3. Department of Savings and Mortgage Lending	Public comment was made by Steve Scurlock on behalf of the Independent Bankers Association of Texas (IBAT). Laura Warren made a motion to approve the Agencies' 2021-2025 Strategic Plans. Will Lucas seconded and the motion passed.	16:23 start of discussion  26:24 vote
B. Discussion of the Finance Commission of Texas 2021-2025 Strategic Plan	No Action Required.	27:25 start of discussion
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, §155.2, Concerning Payoff Statement Form	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, §155.2, Concerning Payoff Statement Form. Laura Warren seconded and the motion passed.	30:09 start of discussion  42:12 Vote
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	Deferred to Executive Session – no vote taken.	n/a
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	Deferred to Executive Session – no vote taken.	n/a
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	Deferred to Executive Session – no vote taken.	n/a

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. 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.	42:56 start of discussion
2. <b>Consent Agenda – Item B2</b>	Laura Warren made a motion to Approve Consent Agenda item B2. Molly Curl seconded and the motion passed.	5:07 start of discussion  5:37 Vote
3. <b>Consent Agenda – Item B3</b>	Laura Warren made a motion to Approve Consent Agenda item B3. Molly Curl seconded and the motion passed.	5:07 start of discussion  5:37 Vote
4. <b>Consent Agenda – Item B4</b>	Laura Warren made a motion to Approve Consent Agenda item B4. Molly Curl seconded and the motion passed.	5:07 start of discussion  5:37 Vote
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments, a New Rule, and a Repeal in 7 TAC, Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments, a New Rule, and a Repeal in 7 TAC, Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review. Bob Borochoff seconded and the motion passed.	1:09:13 start of discussion  1:15:51 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of the Repeal of §85.1012 in 7 TAC, Part 5, Chapter 85, Subchapter B, Concerning Rules for Crafted Precious Metal Dealers, Resulting from Rule Review	Hector Cerna made a motion to Approve the Proposal and Publication for Comment of the Repeal of §85.1012 in 7 TAC, Part 5, Chapter 85, Subchapter B, Concerning Rules for Crafted Precious Metal Dealers, Resulting from Rule Review. Will Lucas seconded and the motion passed.	1:16:29 start of discussion  1:19:15 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments and a New Rule in 7 TAC, Part 5, Chapter 89, Concerning Property Tax Lenders	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments and a New Rule in 7 TAC, Part 5, Chapter 89, Concerning Property Tax Lenders. Laura Warren seconded and the motion passed.	1:19:57 start of discussion  1:26:04 vote
8. 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>	No Action Required.	n/a
<b>C. 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.	1:26:48 start of discussion
2. <b>Consent Agenda – Item C2</b>	Laura Warren made a motion to Approve Consent Agenda item C2. Molly Curl seconded and the motion passed.	5:07 start of discussion  5:37 Vote
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §12.91 Concerning Other Real Estate Owned	Cliff McCauley made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §12.91 Concerning Other Real Estate Owned. Hector Cerna seconded and the motion passed.	1:59:16 start of discussion  2:08:01 vote
4. 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>D. Department of Savings and Mortgage Lending</b>		
<p>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</p>	<p>No Action Required.</p>	<p>2:08:39 start of discussion</p>
<p>2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §77.73 Concerning Investment in Banking Premises and Other Real Estate Owned</p>	<p>Will Lucas made a motion to Approve the Adoption of Amendments to 7 TAC §77.73 Concerning Investment in Banking Premises and Other Real Estate Owned. Laura Warren seconded and there was further discussion. Molly Curl made a motion to amend the primary motion with language that the adopted amendments be published in the Texas Register with appropriate edits to reflect that the appraisal/evaluation threshold be set at \$500,000 and the timeline by which the state savings bank makes the appraisal or evaluation extended from 60 days to 90 days. Laura Warren seconded and the amended motion passed.</p>	<p>2:31:36 start of discussion  2:43:34 vote</p>
<p>3. Discussion of and Possible Vote to Take Action on the Re-Adoption of 7 TAC, Chapter 79, Residential Mortgage Loan Servicers (§§79.1 - 79.5, 79.20, 79.30, 79.40, 79.50), Chapter 80, Texas Residential Mortgage Loan Companies (§§80.1 - 80.5, 80.100, 80.102 - 80.104, 80.106, 80.107, 80.200 - 80.206, 80.300 - 80.302), and Chapter 81, Mortgage Bankers and Residential Mortgage Loan Originators (§§81.1 - 81.5, 81.100 - 81.109, 81.200 - 81.206, 81.300 - 81.302), Resulting from Rule Review</p>	<p>Removed from agenda – no discussion.</p>	<p>n/a</p>
<p>4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §76.98, Concerning Annual Fee To Do Business</p>	<p>Larry Long made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §76.98, Concerning Annual Fee To Do Business. Molly Curl seconded and the motion passed.</p>	<p>2:49:23 start of discussion  3:02:07 vote</p>
<p>5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §79.1 and §79.2, Concerning Residential Mortgage Loan Servicers, Resulting from Rule Review</p>	<p>Removed from agenda – no discussion.</p>	<p>n/a</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §§80.1, 80.2, 80.200, 80.202 - 80.206, and 80.301, Concerning Texas Residential Mortgage Loan Companies, Resulting from Rule Review	Removed from agenda – no discussion.	n/a
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §§81.1 - 81.3, 81.200, 81.202 - 81.206, 81.300 and 81.301, Concerning Mortgage Bankers and Residential Mortgage Loan Originators, Resulting from Rule Review	Removed from agenda – no discussion.	n/a
8. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 12:20 p.m. (3:08:24 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