

# FINANCE COMMISSION OF TEXAS AUDIT COMMITTEE MEETING

Friday, October 16, 2020  
8:30 a.m.  
Via Webinar

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**Due to Governor Greg Abbott's March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the Coronavirus (COVID-19) and the Governor's March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, the October 16, 2020 meeting of the Finance Commission of Texas will be held via webinar/telephonic conference call, as authorized under Texas Government Code section 551.125.**

Members of the public who would like to participate in this meeting will need to register at [www.fc.texas.gov](http://www.fc.texas.gov). An electronic copy of the agenda is now available at [www.fc.texas.gov](http://www.fc.texas.gov), and a copy of the meeting materials will be available on October 8, 2020 at [www.fc.texas.gov](http://www.fc.texas.gov). To access the recording visit [www.fc.texas.gov](http://www.fc.texas.gov) after October 16, 2020.

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*Public comment on any agenda item or issue under the jurisdiction of the Finance Commission of Texas agencies is allowed. Finance Commission members who are not members of the Audit Committee may be present at this committee meeting creating a quorum of the Finance Commission.*

- A. Review and Approval of the Minutes of the August 21, 2020 Audit Committee Meeting
- B. Review of Agencies' Activities
  - 1. Texas Department of Banking
  - 2. Department of Savings and Mortgage Lending
  - 3. Office of Consumer Credit Commissioner
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Fourth Quarter Investment Officer Reports
  - 1. Texas Department of Banking
  - 2. Department of Savings and Mortgage Lending
  - 3. Office of Consumer Credit Commissioner
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Fourth Quarter Financial Statements
  - 1. Texas Department of Banking
  - 2. Department of Savings and Mortgage Lending
  - 3. Office of Consumer Credit Commissioner
- E. Report on Activities Relating to the Texas Financial Education Endowment Fund

**NOTE: The Audit Committee of the Finance Commission of Texas may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.**

**Meeting Accessibility:** Under the Americans with Disabilities Act, the Finance Commission of Texas will accommodate special needs. Those requesting auxiliary aids or services should notify the Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

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**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, August 21, 2020**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on August 21, 2020 with the following members present:

**Audit Committee Members in Attendance (via webinar):**

Molly Curl, Chairman

Hector Cerna

Larry Long

Chairman Curl announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. (:21 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 19, 2020 Audit Committee Meeting	Larry Long made a motion to Approve the Minutes of the June 19, 2020 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	1:15 start of discussion  1:32 Vote
B. Review of Agencies' Activities 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	No Action Required.	1:58 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Third Quarter Investment Officer Reports 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2020 Third Quarter Investment Officer Reports. Larry Long seconded and the motion passed.	5:32 start of discussion  17:40 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for: 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Larry Long made a motion to recommend that the Finance Commission Approve the Readoption of the Investment Policies for the Department of Savings and Mortgage Lending, Office of Consumer Credit Commissioner and the Texas Department of Banking. Molly Curl seconded and the motion passed.	18:09 start of discussion  18:38 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Department of Savings and Mortgage Lending</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Texas Department of Banking</li> </ol>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2020 Third Quarter Financial Statements. Larry Long seconded and the motion passed.</p>	<p>19:44 start of discussion</p> <p>32:19 Vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2021 Operating Budgets</p> <ol style="list-style-type: none"> <li>1. Department of Savings and Mortgage Lending</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Texas Department of Banking</li> </ol>	<p>Public comment was made by Chris Furlow on behalf of the Texas Bankers Association (TBA) and Chris Williston on behalf of the Independent Bankers Association of Texas (IBAT). Larry Long made a motion to recommend that the Finance Commission Approve the Agencies' Fiscal Year 2021 Operating Budgets. Hector Cerna seconded and the motion passed.</p>	<p>32:52 start of discussion</p> <p>1:05:29 Vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Molly Curl seconded and the motion passed.</p>	<p>1:05:56 start of discussion</p> <p>1:16:28 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Larry Long made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Hector Cerna seconded and the motion passed.</p>	<p>1:17:00 start of discussion</p> <p>1:22:11 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's Revenue Accounting Process Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Larry Long made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's Revenue Accounting Process Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Molly Curl seconded and the motion passed.</p>	<p>1:22:45 start of discussion</p> <p>1:25:01 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez & Associates	Molly Curl made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez & Associates. Hector Cerna seconded and the motion passed.	1:25:33 start of discussion  1:30:05 Vote
K. Report on Activities Relating to the Texas Financial Education Endowment Fund	No Action Required.	1:30:34 start of discussion

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Curl adjourned the meeting at 10:02 a.m. *(1:31:53 on the audio file)*.

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Molly Curl, Chairman, Audit Committee  
Finance Commission of Texas

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Charles G. Cooper, Executive Director  
Finance Commission of Texas

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Brenda Medina, Executive Assistant  
Finance Commission of Texas

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**Texas Department of Banking**  
**Audit Activities Report**  
**as of September 30, 2020**

<b>Auditor:</b>	<i>Garza/Gonzalez &amp; Associates</i>	<b>Audit Report Date:</b> <i>July 2020</i>
<b>Audit Area:</b>	<i>Imaging and Records Management</i>	
<b>Findings:</b>	<b>Status Update:</b>	
Record Retention Periods	<b>Completed</b>	
Archival Records	<b>Completed</b> – The Texas State Library archivist confirmed that the documents in question are no longer considered archival. The Department will amend its retention schedule to reflect this change.	

<b>Auditor:</b>	<i>Garza/Gonzalez &amp; Associates</i>	<b>Audit Report Date:</b> <i>N/A</i>
<b>Audit Area:</b>	<i>Change Management Follow-Up</i>	
<b>Findings:</b>	<b>Status Update:</b>	
Change Management Framework	<b>Completed</b> – Change management procedures for code and project/program management have been developed, and tracking software has been reconfigured to accommodate change requests. Consolidated procedures are in the final stages of development.	
Risk Assessment Process	<b>Completed</b> - A risk rating system for program/project level changes has been implemented; however, consolidated change management procedures are in the final stages of development.	
Approval Authority Based on Risk Rating	<b>In-process</b> - Data/application owner procedures have been developed but have not yet been fully implemented. The estimated completion of September 30, 2020 has been revised to October 31, 2020.	
Software Application Updates	<b>Completed</b>	
Review Process for Code Change	<b>Completed</b>	

<b>Auditor:</b>	<i>Department of Information Resources/AT&amp;T Consulting</i>	<b>Audit Report Date:</b> <i>February 28, 2020</i>
<b>Audit Area:</b>	<i>External Network Penetration Test and Web Application Vulnerability Scan</i>	
<b>Findings:</b>	<b>Status Update:</b>	
Findings Related to Network Security	<b>Completed</b> – Report findings were remediated.	

**Department of Savings and Mortgage Lending**  
**Audit Activity Report as of September 30, 2020**

Auditor	State Office of Risk Management (SORM)	Audit Report Date
Audit Area	Risk Management Program Review	8/20/2020
Findings	Status Update	
None	<b>Completed.</b> Review performed on August 18, 2020.	

Auditor	Department of Information Resources/AT&T Consulting	Audit Report Date
Audit Area	External Network Penetration Test and Web Application Vulnerability Scan	N/A
Findings	Status Update	
N/A	<b>Pending.</b> The penetration test was performed August 24 - August 31, 2020.	

Auditor	Department of Information Resources/AT&T Consulting	Audit Report Date
Audit Area	Texas Cybersecurity Framework Assessment	N/A
Findings	Status Update	
N/A	<b>Scheduled.</b> The assessment is scheduled to begin on October 12, 2020.	





# Risk Management Program Review Report

Department of Savings and Mortgage Lending

August 20, 2020

**Conducted by:**

Cynthia Stuart, Risk Manager





State Office of Risk Management

300 W. 15<sup>TH</sup>, AUSTIN, TEXAS 78701 / P.O. BOX 13777, AUSTIN, TEXAS 78711-3777  
(512) 475-1440, FAX (512) 370-9025 / WWW.SORM.STATE.TX.US

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August 20, 2020

Ms. Caroline Clarkson Jones  
Executive Director  
Department of Savings and Mortgage Lending  
State Finance Commission Building  
2601 North Lamar Blvd., Suite 201  
Austin, TX 78705-4241

Agency # 450

Re: Risk Management Program Review (RMPR)

Dear Ms. Jones:

On August 18, 2020, the State Office of Risk Management (SORM) conducted a Risk Management Program Review (RMPR) with the Department of Savings and Mortgage Lending, (SML). The RMPR was conducted under authority of Texas Labor Code, Title V, Subtitle A, Chapter 412, and is designed to assist state agencies with the development and implementation of comprehensive risk management programs that meet Risk Management for Texas State Agencies (RMTSA) guidelines.

The RMPR was scheduled as a comprehensive review with agency risk management to discuss observed or potential exposures and to help eliminate or mitigate those risks.

The following items were reviewed and discussed during the visit:

- The SORM-200 data was reviewed for completeness and accuracy.
- The Health and Safety Handbook, Return-to-Work Program, Annual Financial Report, and Internal Audit Plan were reviewed.
- The Risk Evaluation and Planning System Questions (REPS) were reviewed. The questionnaire was carefully completed and provided insight into the agency's risk management program.
- The workers' compensation claims data was reviewed during the consultation.
- The Agency Training Summary was extensively reviewed to determine training

opportunities for agency staff.

## EXECUTIVE SUMMARY

Noteworthy observations made during this consultation include the following:

- The agency experienced one workers' compensation claim in 2016 involving a slip and fall. The total medical paid on this claim is \$572.
- The agency reported one claim under their auto policy in 2018. This claim did not result in the payment of damages.
- The agency has created a safety culture that encourages employees to share safety ideas with their supervisor and the Department Safety Officer.
- The agency has clearly delineated staff roles as integral parts of a successful employee health and safety program.
- The Return-to-Work Program outlines a thorough process that addresses the interrelationships of the ADA, FMLA, and Workers' Compensation.
- The Safety and Health Policy Statement from the Commissioner sets the tone for the agency's plan to achieve a safe and healthy workplace.
- The agency takes a proactive vs. reactive approach to loss control; thereby creating a risk management program designed to protect the human resources and fiscal assets of the agency.

Please convey my sincere appreciation to Ms. Antov for her cooperation and assistance during the consultation. It was a pleasure to perform a Risk Management Program Review on the Department of Savings and Mortgage Lending. If you have any questions or concerns regarding the information detailed in this report, please contact me at (512) 936-1568 or at [cynthia.stuart@sorm.texas.gov](mailto:cynthia.stuart@sorm.texas.gov).

Sincerely,



Cynthia Stuart, ARM  
Risk Manager  
State Office of Risk Management

cc: Ms. Antonia Antov, Director of Administration and Finance  
Ms. Janie Recio, Sr. Accountant

## **FINDINGS AND RECOMMENDATIONS**

### **I. GENERAL**

- A.** During the review period of FY15 through FY20 (year to date) the agency had one workers' compensation claim. The claim involved a slip and fall; which did not result in any lost time on behalf of the claimant. This low frequency and severity suggest that agency employees are making a conscientious effort to maintain a safe workplace and emphasizes the safety culture of the Department of Savings and Mortgage and Lending.
- B.** The Risk Management Policy Statement recognizes the human resources of the agency as an asset vital to the agency's core business functions. The statement describes risk management and its importance to the agency's overall fiscal stability and strength. The goals of the agency as it relates to risk management are well-defined in the document with clear expectations for all staff of the Department of Savings and Mortgage Lending. The agency's Safety and Health Policy Statement declares that the employees of the agency are its "most valuable asset." The statement emphasizes it is every employee's responsibility to support the safety and health program of the agency.
- C.** The Risk Management Policy and Safety and Health Policy Statements lay the groundwork for the Employee Health & Safety Manual. The manual covers a range of topics including traffic safety, office safety, indoor air quality, repetitive trauma injuries. and back injury protection. By incorporating a multitude of topics into a single resource it promotes ease of use for agency personnel.
- D.** The Employee Health & Safety Manual is a comprehensive document that provides a solid foundation in establishing the agency's risk management program and promoting a safety culture. It defines the roles of Executive Management, Risk Management, Supervisors and Employees. The handbook outlines distinct obligations of all employees towards creating a healthy working environment. There are instructions for handling accident reviews, including root cause analysis, to guide the agency in developing policies and procedures as part of their loss control program.
- E.** The Department of Savings and Mortgage Lending identified the support and involvement of top management as essential to the success of their health and safety program. This signals a commitment to protecting employees through policies and procedures implemented to create a safe working environment. This commitment is instrumental in promoting the idea that all employees play a role in the risk management function.

- F. The agency encourages employees to not only identify hazards, but also the authority to correct safety hazards. This fosters initiative and responsibility for loss control efforts within the organization. This method of involvement allows ownership of the safety program; ensuring employees participation in risk management.
- G. The agency appears to advocate using training to supplement the policies of its Employee Health & Safety Manual. In an ongoing effort to mitigate losses, the agency has participated in various training opportunities. Based upon training records, agency staff have frequently taken part in the Driver's Safety and Office Safety courses offered by SORM. The agency's driving policy requires employees to take the Driver's Safety course every three years; thereby reinforcing safe driving practices. The agency had one auto accident during the reporting period which supports their approach to handling this exposure through training and procedures.
- H. Participating in the Accident Investigation course offered through SORM might benefit the agency's staff responsible for accident review/investigation. Due to the low frequency of claims at the agency, staff may not have experience in this area. As such, they may want support in the actual handling of accident investigation/review. This training would supplement the agency's procedures as outlined in the Employee Health & Safety Manual.

## **II. WORKERS' COMPENSATION CLAIMS**

- A. During our meeting, the agency expressed interest in courses related to Slips, Trips, and Falls, and a Personal Safety course. Based upon the needs of the field employees, the agency expressed a preference in an online or "webinar on demand" format. The agency might profit from the Workers' Compensation Claims Coordinator Training, though this is of low priority due to the agency's low frequency of claims.
- B. The Safety and Health Policy Statement, in conjunction with the Risk Management Policy Statement, shows that the agency values its employees. The Employee Health & Safety Manual is a wide-ranging document that is at the center of the agency's risk management program. The manual is easy to use and provides employees with policies and procedures necessary to ensure their safety and that of their coworkers. The agency created strong safety principles, with a conscientious effort to instill safety philosophies to their workforce. This proactive approach to identifying exposures and mitigating risk is indicative of the safety culture of the agency.

## **III. STATE-SPONSORED INSURANCE**

- A. SML participates in the following SORM state-sponsored lines of insurance to mitigate risk or reduce the loss exposure:
  - 1. Auto, Directors' and Officers', and Property insurance programs.

#### **IV. RMPR RECOMMENDATIONS**

- A. No recommendations are being made, at this time.
- B. The following action items require follow-up by SORM per the Department of Savings and Mortgage and Lending request:
  - a. The State Office of Risk Management will provide a listing of training courses available to the agency.
  - b. The State Office of Risk Management will research "best practices" related to Do Not Resuscitate (DNR) and the use of AED.



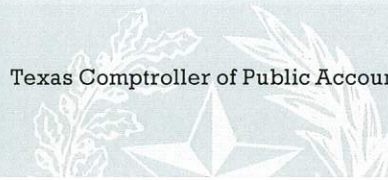


<b>Office of Consumer Credit Commissioner</b>			
<b>Status of Agency Activities and Outstanding Audit Findings and Recommendations as of October 16, 2020</b>			

<b>Auditor</b>	<b>Garza/Gonzales</b>		<b>Audit Report Date</b>
<b>Audit Area</b>	<b>Records Management</b>		<b>August 2020</b>
<i>Recommendation</i>	<i>Response</i>	<i>Status Update</i>	<i>Implementation Date</i>
The OCCC should assess, and revise if appropriate, its current RDL review procedures to ensure any errors in the completed RDL are detected timely to ensure state records are not improperly destroyed.	The OCCC will analyze and revise records disposition log review procedures to allow for review on multiple levels and allow ample time for review and verification to ensure compliance with OCCC RRS. Additionally the OCCC will add a step to the process that RML must receive a scanned copy of approved log before disposition can begin. Staff will be trained on the new procedures.	Complete	October 7, 2020
The Licensing department should evaluate and revise, as considered necessary, the current imaging and verification logging procedures; and, ensure Licensing staff consistently follow the established procedures.	The Licensing department has determined that the current imaging, verification, and logging procedures for digital records stored in Application Xtender are appropriate and adequate. The department will ensure that staff are re-trained to ensure the procedures are consistently followed.	Complete	September 15, 2020

<b>Auditor</b>	<b>Texas Comptroller of Public Accounts</b>		<b>Audit Report Date</b>
<b>Audit Area</b>	<b>Duplicate Payment Audit</b>		<b>August 31, 2020</b>
<i>Recommendation</i>	<i>Response</i>	<i>Status Update</i>	<i>Implementation Date</i>
The OCCC should strengthen its current procedures for identifying duplicate travel payments.	The OCCC implemented a tracking spreadsheet to identify potential duplicate travel payments to enable Agency staff to identify and determine the validity of payments. Agency staff have been trained on the new tracking system.	Complete	September 30, 2020

<b>Future Items</b>			
<b>Entity</b>	<b>Activity</b>	<b>Status</b>	<b>Date</b>
	Garza/Gonzales	Pending	Fall 2020



August 31, 2020

Ms. Leslie Pettijohn, CPA  
Commissioner  
Office of Consumer Credit Commissioner  
2601 N. Lamar Blvd., Ste. 200  
Austin, Texas 78705-4260

Dear Commissioner Pettijohn:

This audit letter contains the results of the duplicate payment desk audit conducted at the Office of Consumer Credit Commissioner (Office).

The objective of this audit was to investigate potential duplicate payments. This audit was performed at certain agencies based on an analytical report produced from the Uniform Statewide Accounting System (USAS) showing potential duplicate payments from Sept. 1, 2015, through Aug. 31, 2018. The audit was conducted in accordance with Texas Government Code, Section 403.071.

Auditors developed a sample of 11 potential duplicate payment transactions totaling \$18,213.32 and reviewed the supporting documentation for each transaction to determine whether the Office processed a duplicate payment. Auditors also assessed whether the Office recouped or began the process of recouping any overpayments.

Based on the review of the responses and documentation provided by the Office to support the 11 potential duplicate payment transactions, auditors identified one duplicate travel payment totaling \$114.64. As a result of the audit, the Office recouped the overpayment. The table below includes detail of the duplicate payment finding.

Document Number	Invoice Number	Payment Date	Amount	Recouped
11700477	10/31/16-11/04/16	11/28/2016	\$114.64	\$114.64





Commissioner Pettijohn  
August 31, 2020  
Page Two

Auditors also provided the Office an additional document listing 45 potential duplicate payments that were not part of the sample. These payments totaled \$21,124.63 and were processed from Sept. 1, 2015, through Aug. 31, 2018. Auditors asked the Office to review these transactions, research whether they were or were not duplicates, and return the findings to us. The Office returned the document on July 29, 2020, and stated that its investigation did not identify any duplicate payments. Auditors did not verify the accuracy of the results reported by the Office.

We recommend that the Office strengthen its current procedures for identifying duplicate travel payments.

The final report will include results for all the agencies selected for the duplicate payment audit and will be published in the near future. Thank you for your cooperation. If we can provide any further assistance, please contact [max.viescas@cpa.texas.gov](mailto:max.viescas@cpa.texas.gov) or 512-305-8659.

Sincerely,



Clarisse Roquemoire  
Manager  
Statewide Fiscal Oversight  
Fiscal Management Division

cc: Mirand Zepeda Diamond, Accounting Manager, Texas Veterans Commission  
Max Viescas, Auditor, Texas Comptroller of Public Accounts



Department of Banking Quarterly Investment Report  
 June 1, 2020 to August 31, 2020

Seized Prepaid Funeral Funds Held in a Financial Institution	Book Value at May 31, 2020	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at August 31, 2020	Financial Institution	Investment Type	Maturity Date	Interest Rate
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			N/A	N/A

<b>Total Seized Funds</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
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Notes:

_____ /s/     Jesse Saucillo Investment Officer	_____ 9/10/2020 Date
_____ /s/     Sami Chadli Investment Officer	_____ 9/14/2020 Date

**Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report**  
**June 1, 2020 to August 31, 2020**

<u>Book Value at May 31, 2020</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>(1) Other Deduction(s)</u>	<u>(2) Other Addition(s)</u>	<u>Book/Market Value at August 31, 2020</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,360,741.08	\$3,144.01	\$496.08	\$43,634.85	\$53,136.85	\$1,372,891.01	--	--	\$623.40

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$641,392.89	9/1/2020	0.04%	
United Texas Bank, Dallas, Texas (CD)	\$246,972.43	12/19/2020	1.95%	\$145.14
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2020	1.85%	\$145.97
Frontier Bank of Texas, Elgin, Texas (CD)	\$244,525.69	7/18/2021	1.24%	\$332.29
Subtotal	\$1,372,891.01			

(1) Other deductions include: (a) \$37,613.84 escheated to the Comptroller's Office as abandoned property for 11 restitution checks related to Austin Peel and Son Funeral Home; (b) \$1,344.15 restitution reissued to the next of kin related to El Paso Mission Funeral Home; (c) \$506.05 restitution paid to three consumers and \$393.95 escheated to the Comptroller's Office as abandoned property related to Amarillo Family Funeral Home; (d) \$2,561.27 escheated to the Comptroller's Office as abandoned property for a restitution check related to Heartfield-Ritter Funeral Home; (e) \$472.73 escheated to the Comptroller's Office as abandoned property for two restitution checks related to Howell-Doran Funeral Home; and (f) \$742.86 escheated to the Comptroller's Office as abandoned property for a restitution check related to Hernandez Funeral Home.

(2) Other additions include: (a) \$2,502.00 restitution received from Mr. Kevin Keeney on behalf of Howell-Doran Funeral Home; (b) \$300.00 restitution received from Mr. Roy and Ms. Kay Bryant dba Amarillo Family Funeral Home; (c) \$7,600.00 restitution received from Ms. Maria de la Luz Hernandez on behalf of Hernandez Funeral Home; (d) \$37,613.84 stop payment of 11 restitution checks related to Austin Peel and Son Funeral Home that were not negotiated by consumers; (e) \$1,344.15 stop payment of a restitution check related to El Paso Mission Funeral Home that was requested to be paid to consumer's next of kin; (f) \$2,561.27 stop payment of a restitution check related to Heartfield-Ritter Funeral Home that was not negotiated by consumer; (g) \$472.73 stop payment of two restitution checks related to Howell-Doran Funeral Home that were not negotiated by consumers; and (h) \$742.86 stop payment of a restitution check related to Hernandez Funeral Home that was not negotiated by consumer.

\* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.  
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo  
Investment Officer

9/10/2020  
Date

/s/ Sami Chadli  
Investment Officer

9/14/2020  
Date

**Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report**  
**June 1, 2020 to August 31, 2020**

<u>Book</u> <u>Book Value at May 31, 2020</u>	<u>Interest Income</u> <u>Received</u>	<u>Trustee</u> <u>Fees Paid</u>	<u>Other</u> <u>Deduction(s)</u>	<u>Other</u> <u>Addition(s)</u>	<u>Book/Market</u> <u>Value at August 31, 2020</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued Interest</u> <u>on CDs</u>
\$719,978.29	\$1,143.08	\$78.62	\$0.00	\$0.00	\$721,042.75			\$102.96

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$475,411.20	9/1/2020	0.04%	
AccessBank, Denton, Texas (CD)	<u>\$245,631.55</u>	7/14/2021	0.90%	\$102.96
Subtotal	\$721,042.75			

\* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.  
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo  
Investment Officer

9/10/2020  
Date

/s/ Sami Chadli  
Investment Officer

9/14/2020  
Date

# Department of Savings and Mortgage Lending

## Investment Officer Report as of August 31, 2020

### Recovery Fund

	Beginning Balance 6/1/2020	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 8/31/2020
Cash & Cash Equivalents	\$4,355,949.20	\$20,397.71	\$2,647.60	(\$341.93)	\$4,378,652.58

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	9/1/2020	0.38%	\$3,129,530.23	\$3.23
Dalhart Federal Savings	CD - 24 months	10/18/2020	2.50%	250,000.00	11,857.64
Horizon Bank SSB	CD - 24 months	1/31/2021	2.27%	250,000.00	488.68
TBK Bank	CD - 24 months	4/7/2021	3.00%	249,122.35	1,162.57
First Fed Community Bank, SSB	CD - 18 months	6/13/2021	1.70%	250,000.00	3,093.06
South Star Bank SSB	CD - 24 months	4/17/2022	1.20%	250,000.00	375.00
				\$4,378,652.58	\$16,980.18

#### Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Janie Recio

#### Investment Compliance:

The Department's Investment Policy has been followed.

Date: 9/16/2020

Date: 9/16/2020

**Office of Consumer Credit Commissioner  
Fiscal Year 2020 - 4th Quarter**

**Residential Mortgage Loan Originator Recovery Trust Fund #3008**

<u>Beginning Balance at 06/01/2020</u>	<u>Additions / *(Deductions)</u>	<u>Interest Paid</u>	<u>Paid Bank Fees</u>	<u>Ending Balance at 08/31/2020</u>	<u>Current Interest Rate</u>
\$ 158,542.51	\$ 2,100.00	\$ 14.49	\$ (45.94)	\$ 160,611.06	0.037%

Prepared By: /s/ Adrian Alejandro Hernandez

Date: 10/02/2020

Investment Officer: /s/ Mirand Diamond

Date: 10/02/2020

Note: These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.  
The above investments are in compliance with the agency's investment policy.

**Office of Consumer Credit Commissioner**  
**Fiscal Year 2020 - 4th Quarter**

<b>Texas Financial Education Endowment Fund #3071</b>								
	Beginning Balance at 06/01/2020	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 08/31/2020	Current Interest Rate
<b>Cash</b>	\$ 1,624,985.30	\$ 6,000.00	\$ 147.49	\$ (500,000.00)	\$ (39,850.34)	\$ (193.56)	\$ 1,091,088.89	0.037%
<b>Invested Portfolio</b>	Beginning Balance at 06/01/2020	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 08/31/2020	
Cash in Bank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Investments - STIF	2,953,828.58	2,681.92	158,497.52	500,000.00		(489.76)	3,614,518.26	
Interest & Dividends Receivable	385.93		(250.51)				135.42	
Trade Receivables	-		-				-	
Investments - Equities	20,522.53		(17,760.68)				2,761.85	
Investments - Alternatives	3,340,638.80		163,830.09				3,504,468.89	
Investments - Fixed Income	54,489.97		2,137.78				56,627.75	
Investments - Futures	-		-				-	
Investments - SWAPS, at Fair Value	55,160.04		(19,129.31)				36,030.73	
<b>Total Assets-Invested Portfolio</b>	<b>\$ 6,425,025.85</b>	<b>\$ 2,681.92</b>	<b>\$ 287,324.89</b>	<b>\$ 500,000.00</b>	<b>\$ -</b>	<b>\$ (489.76)</b>	<b>\$ 7,214,542.90</b>	
<b>Liabilities</b>								
Accounts Payable	\$ -	\$ (33,556.25)	\$ -	\$ -	\$ -	\$ -	\$ (33,556.25)	
Interest Payable	-	-	-	-	-	-	-	
Trade Payables	(60,815.12)	60,507.67					(307.45)	
Futures Contracts, at Fair Value	-	-					-	
Swaps, at Fair Value	-	-					-	
<b>Total Liabilities</b>	<b>\$ (60,815.12)</b>	<b>\$ 26,951.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (33,863.70)</b>	
<b>Total Net Fiduciary Assets-Invested Portfolio</b>	<b>\$ 6,364,210.73</b>						<b>\$ 7,180,679.20</b>	
<b>Total Endowment Funds</b>	<b>\$ 7,989,196.03</b>						<b>\$ 8,271,768.09</b>	

Note: These funds are invested with the Texas Treasury Safekeeping Trust Company.  
The above investments are in compliance with the agency's investment policy.

\* Reflects redistributed amount among the asset classes in addition to market value adjustment.

Prepared By: /s/ Adrian Alejandro Hernandez

Date: 10/02/2020

Investment Officer: /s/ Mirand Diamond

Date: 10/02/2020

**Texas Department of Banking  
Operating Statement and Budget Analysis  
For the Quarter Ending August 31, 2020**

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
<b>REVENUES</b>										
Bank & Trust Regulation	\$22,740,931	\$25,521,034	\$5,674,618	\$3,174,214	\$2,500,403	55.9%	\$25,521,034	\$22,720,521	\$2,800,513	89.0%
Penalties - Bank & Trust Regulation	140,000	0	0	0	0	0.0%	0	10,000	(10,000)	0.0%
Non-Depository Supervision	2,562,127	3,604,957	889,589	421,201	468,388	47.3%	3,604,957	2,802,379	802,578	77.7%
Penalties - Non-Depository Supervision	1,097,740	82,600	20,700	149,329	(128,629)	721.4%	82,600	648,360	(565,760)	784.9%
Miscellaneous Revenues	492,200	404,800	101,200	2,727	98,473	2.7%	404,800	123,425	281,375	30.5%
<b>TOTAL REVENUES</b>	<b>\$27,032,998</b>	<b>\$29,613,391</b>	<b>\$6,686,107</b>	<b>\$3,747,471</b>	<b>\$2,938,636</b>	<b>56.0%</b>	<b>\$29,613,391</b>	<b>\$26,304,685</b>	<b>\$3,308,705</b>	<b>88.8%</b>
<b>EXPENDITURES</b>										
Personnel Costs										
Employee Compensation	\$16,952,793	\$18,890,947	\$5,033,644	\$4,520,919	\$512,724	89.8%	\$18,890,947	\$17,356,529	\$1,534,418	91.9%
Employee Benefits	4,905,696	5,545,899	1,514,569	1,289,348	225,221	85.1%	5,545,899	4,998,458	\$547,441	90.1%
Add'l Health/Retirement	241,770	279,995	72,721	63,088	9,633	86.8%	279,995	248,089	\$31,906	88.6%
Other Personnel Costs	578,444	406,089	216,944	118,189	98,755	54.5%	406,089	350,095	\$55,994	86.2%
Subtotal Personnel Costs	<b>\$22,678,703</b>	<b>\$25,122,930</b>	<b>\$6,837,877</b>	<b>\$5,991,545</b>	<b>\$846,333</b>	<b>87.6%</b>	<b>\$25,122,930</b>	<b>\$22,953,171</b>	<b>\$2,169,759</b>	<b>91.4%</b>
Travel										
In-State	\$1,367,830	\$1,513,093	\$395,544	\$13,628	\$381,916	3.4%	\$1,513,093	\$791,009	\$722,085	52.3%
Out-of-State	658,574	709,330	297,103	(404)	297,507	-0.1%	709,330	330,242	379,088	46.6%
Subtotal Travel	<b>\$2,026,404</b>	<b>\$2,222,423</b>	<b>\$692,647</b>	<b>\$13,224</b>	<b>\$679,423</b>	<b>1.9%</b>	<b>\$2,222,423</b>	<b>\$1,121,250</b>	<b>1,101,173</b>	<b>50.5%</b>
Operating Costs										
Professional Fees	\$300,071	\$321,504	\$207,696	\$75,967	\$131,729	36.6%	\$321,504	\$232,474	\$89,030	72.3%
Consumables	37,249	38,000	9,500	65	9,435	0.7%	38,000	19,871	18,129	52.3%
Office Utilities	41,717	46,022	11,510	663	10,847	5.8%	46,022	34,386	11,636	74.7%
Rent - Building/Space	388,330	426,635	74,601	66,232	8,369	88.8%	426,635	420,591	6,044	98.6%
Rent - Equipment/Other	25,179	35,178	11,561	5,910	5,651	51.1%	35,178	28,087	7,091	79.8%
Communications	298,025	303,074	66,979	68,485	(1,506)	102.2%	303,074	257,638	45,436	85.0%
Information Technology	165,118	334,818	103,111	292,628	(189,517)	283.8%	334,818	521,309	(186,491)	155.7%
Employee Training	282,911	329,264	171,898	13,078	158,820	7.6%	329,264	150,177	179,087	45.6%
Misc. Operating Costs	425,321	433,543	205,197	196,613	8,583	95.8%	433,543	452,211	(18,667)	104.3%
Subtotal Operating Costs	<b>\$1,963,921</b>	<b>\$2,268,038</b>	<b>\$862,053</b>	<b>\$719,641</b>	<b>\$142,412</b>	<b>83.5%</b>	<b>\$2,268,038</b>	<b>\$2,116,742</b>	<b>\$151,296</b>	<b>93.3%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$26,669,028</b>	<b>\$29,613,391</b>	<b>\$8,392,577</b>	<b>\$6,724,410</b>	<b>\$1,668,167</b>	<b>80.1%</b>	<b>\$29,613,391</b>	<b>\$26,191,164</b>	<b>\$3,422,227</b>	<b>88.4%</b>
<b>EXPENDITURES (OVER) / UNDER REVENUES</b>	<b>\$363,970</b>	<b>\$0</b>	<b>(\$1,706,470)</b>	<b>(\$2,976,939)</b>	<b>\$1,270,469</b>		<b>\$0</b>	<b>\$113,522</b>	<b>(\$113,522)</b>	



## Texas Department of Banking

**Overview of Budget Variances for the Fourth Quarter of Fiscal Year 2020** - (Variances in excess of \$1,000 and 5% from budget are reported).

**Bank & Trust Regulation** – Actual revenues were less than budgeted due to the reduction in the fourth quarter bank assessments of 60% or approximately \$3.9 million. For the year, bank assessments were reduced by approximately \$5.9 million. Year to date Bank & Trust Regulation revenue is at 89% of budget and was adequate to cover all direct and indirect costs of the Bank and Trust area.

**Non-Depository Supervision** – The variance for the quarter is related to assessment reductions that resulted from the higher collection of penalties than were anticipated. Year to date Non-Depository Supervision revenue is at 96.3% of budget and was adequate to cover all direct and indirect costs of this area.

**Penalties - Non-Depository Supervision** – The variance is due to the higher than anticipated collected penalties from unlicensed money service businesses, perpetual care cemetery certificate holders and prepaid funeral contract permit holders.

**Miscellaneous Revenues** – The variance for the quarter relates to lower than budgeted interest payments from the Texas Treasury Safekeeping Trust Company (TTSTC). Due to current market conditions, funds on deposit with TTSTC that are invested in repurchase agreements (repos) may not be fully invested due to negative repo interest rates.

**Employee Compensation and Benefits** – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of August 31, 2020 are listed below:

Administrative	4
Examiners	12

**Other Personnel Costs** – The positive variance is due to budgeted lump sum retirements that did not materialize in the fourth quarter.

### Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$189.02	(\$403.80)
Development and Training	\$13,580.60	\$0.00
Other Regulatory Activities	\$135.42	\$0.00
Non-Employee	(\$277.13)	\$0.00
Total	\$13,627.91	(\$403.80)

**In-State Travel** – The positive variance is due to the COVID-19 pandemic hold on virtually all travel effective March 13, 2020 which included the DOB pause of onsite examinations. Examinations were resumed virtually on June 1, 2020.

**Out-of-State Travel** – The positive variance is due to the COVID-19 pandemic hold on virtually all travel effective March 13, 2020.

**Professional Fees** – The positive variance is due to: (1) lower than budgeted investigator fees; (2) unincurred expenditures for a financial literacy services contract; (3) architectural services that were not used; and (4) an information technology contract that did not materialize.

**Consumables** – The positive variance is due to less supplies being needed as fewer employees were physically at the Headquarters and regional offices. In addition, the budget was based on a three-year pre COVID-19 trend.

**Office Utilities** – The positive variance is due to lower expenditures than estimated as based on a three-year history and adjustment for inflation.

**Rent – Building/Space** – The positive variance is due to utilizing virtual leadership training and townhall meetings that did not occur. Year to date expenditures are at 98.6% of budget.

**Rent – Equipment/Other** – The positive variance is due to: (1) utilizing virtual leadership training, (2) townhall meetings that did not occur; and (3) boom lift rentals that were not needed for Headquarters building management.

**Information Technology** – The negative variance is due to: (1) unexpected security services that were needed, (2) unplanned and underbudgeted infrastructure maintenance agreements and server license maintenance; and (3) the procurement of computers, security software and infrastructure improvements. Due to COVID-19, items under (3) were procured in fiscal year 2020 instead of fiscal year 2021 as originally planned to transition staff to a remote work environment.

An Information Technology budget variance request was submitted and approved by the Commissioner.

**Employee Training** – The positive variance is due to training cancellations because of COVID-19.

**TEXAS DEPARTMENT OF BANKING**  
**Liquidity Report**  
**For the Quarter Ending August 31, 2020**

	<b>Actual</b>
Cash at Beginning of Period	\$ 17,893,538
Revenues Over (Under) Expenditures	\$ (2,976,939)
Increase (Decrease) in Payables/Encumbrances	\$ 337,264
(Increase) Decrease in Receivables	\$ (7,929)
<b>Cash at End of Period</b>	<b><u>\$ 15,245,935</u></b>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	\$ 6,276,808
Payables (net of receivables)	\$ 2,218,728
Lump Sums for Retirements	\$ 629,542
Program Funds	\$ -
Other	\$ -
<b>Total Reserved Cash Balance</b>	<b><u>\$ 9,125,077</u></b>
Unreserved Cash Balance:	
Future Operations	\$ 6,120,858
<b>Total Unreserved Cash Balance</b>	<b><u>\$ 6,120,858</u></b>
<b>Total Cash Balance</b>	<b><u>\$ 15,245,935</u></b>
Unreserved Cash/FY2020 Monthly Budget	2.46 months

**Department of Savings and Mortgage Lending**  
**Operating Statement and Budget Analysis**  
**For the Quarter Ending August 31, 2020**

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
<b>REVENUES</b>										
Thrift Industry										
Assessments	\$ 2,517,501	\$ 2,609,638	\$ 664,972	\$ 807,064	\$ (142,092)	-21.4%	\$ 2,609,638	\$ 2,765,352	\$ (155,714)	106.0%
Application Fees	14,600	20,000	2,000	12,600	(10,600)	-530.0%	20,000	60,600	(40,600)	303.0%
Mortgage Industry										
Licensing Fees	3,117,153	3,024,935	172,385	660,001	(487,616)	-282.9%	3,024,935	3,878,013	(853,078)	128.2%
Administrative Penalties	410,869	-	-	48,583	(48,583)	0.0%	-	320,731	(320,731)	0.0%
Misc. Revenues	239,605	203,000	52,700	4,180	48,520	92.1%	203,000	101,144	101,856	49.8%
<b>TOTAL REVENUES</b>	<b>\$ 6,299,727</b>	<b>\$ 5,857,573</b>	<b>\$ 892,057</b>	<b>\$ 1,532,428</b>	<b>\$ (640,371)</b>	<b>-71.8%</b>	<b>\$ 5,857,573</b>	<b>\$ 7,125,839</b>	<b>\$ (1,268,266)</b>	<b>121.7%</b>
<b>EXPENDITURES</b>										
Personnel Costs										
Employee Compensation	\$ 3,718,849	\$ 4,019,558	\$ 1,079,460	\$ 992,486	\$ 86,974	8.1%	\$ 4,019,558	\$ 3,794,659	\$ 224,899	94.4%
Employee Benefits	1,228,137	1,335,363	358,628	314,005	44,623	12.4%	1,335,363	1,245,098	90,265	93.2%
Add'l Health/Retirement	53,983	60,011	15,985	13,883	2,102	13.2%	60,011	55,464	4,547	92.4%
Other Personnel Costs	72,435	78,795	18,420	70,430	(52,010)	-282.4%	78,795	145,669	(66,874)	184.9%
Subtotal Personnel Costs	\$ 5,073,403	\$ 5,493,727	\$ 1,472,493	\$ 1,390,803	\$ 81,690	5.5%	\$ 5,493,727	\$ 5,240,890	\$ 252,837	95.4%
Travel										
In-State	\$ 209,785	\$ 213,500	\$ 53,375	\$ 312	\$ 53,063	99.4%	\$ 213,500	\$ 102,237	\$ 111,263	47.9%
Out-of-State	46,827	72,700	18,425	-	18,425	100.0%	72,700	40,712	31,988	56.0%
Subtotal Travel	\$ 256,612	\$ 286,200	\$ 71,800	\$ 312	\$ 71,488	99.6%	\$ 286,200	\$ 142,949	\$ 143,251	49.9%
Operating Costs										
Professional Fees	\$ 75,959	\$ 83,500	\$ 27,000	\$ 26,982	\$ 18	0.1%	\$ 83,500	\$ 50,036	\$ 33,464	59.9%
Consumables	10,785	11,000	2,350	3,133	(783)	-33.3%	11,000	7,213	3,787	65.6%
Office Utilities	15,401	16,761	4,731	2,985	1,746	36.9%	16,761	13,196	3,565	78.7%
Rent - Building/Space	2,690	6,050	225	(1,867)	2,092	929.6%	6,050	3,113	2,937	51.4%
Rent - Equipment/Other	1,085	1,250	-	-	-	0.0%	1,250	1,223	27	97.8%
Communications	56,364	74,566	13,005	14,522	(1,517)	-11.7%	74,566	75,186	(620)	100.8%
Information Technology	110,597	128,183	46,525	93,814	(47,289)	-101.6%	128,183	188,375	(60,192)	147.0%
Employee Training	47,550	54,000	20,000	1,844	18,156	90.8%	54,000	24,575	29,425	45.5%
Misc. Operating Costs	224,875	159,740	39,394	35,060	4,334	11.0%	159,740	133,585	26,155	83.6%
Subtotal Operating Costs	\$ 545,305	\$ 535,050	\$ 153,230	\$ 176,473	\$ (23,243)	-15.2%	\$ 535,050	\$ 496,501	\$ 38,549	92.8%
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,875,320</b>	<b>\$ 6,314,977</b>	<b>\$ 1,697,523</b>	<b>\$ 1,567,588</b>	<b>\$ 129,935</b>	<b>7.7%</b>	<b>\$ 6,314,977</b>	<b>\$ 5,880,340</b>	<b>\$ 434,637</b>	<b>93.1%</b>
<b>EXPENDITURES (OVER)/ UNDER REVENUES</b>	<b>\$ 424,407</b>	<b>\$ (457,404)</b>	<b>\$ (805,466)</b>	<b>\$ (35,160.83)</b>	<b>\$ (770,305)</b>	<b>95.6%</b>	<b>\$ (457,404)</b>	<b>\$ 1,245,499</b>	<b>\$ (1,702,903)</b>	<b>-272%</b>

## Department of Savings and Mortgage Lending

### Budget Variance Analysis

#### For the Quarter Ending August 31, 2020

Revenues: Overall revenues are at 21.7% over budget.

Thrift Industry:

Assessments – This category is 6% over budget due to the addition of 2 new charters.

Application Fees – This category is significantly over budget due to application fees received related to the conversions of Charles Schwab SSBs.

Mortgage Industry:

Licensing Revenues – Overall licensing revenues are 28.2% over budget due to higher than budgeted RMLO license new and renewal applications received.

Fines and Penalties – No amount was budgeted.

Miscellaneous Revenues – This category is 50.2% under budget, due to lower than budgeted depository interest received.

Expenditures: Overall expenditures are at 6.9% under budget.

Other Personnel Costs – This category is significantly over budget due to lump sums paid to separating employees.

Travel – Due to the travel restrictions imposed in response to COVID-19 pandemic, this category is 50.1% under budget.

Travel Breakdown 4th Qtr FY20			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$89,483	\$13,216	\$102,699
Development and Training	11,158	25,476	36,634
Other Regulatory Activities	0	2,019	2,019
Non-Employee Travel	1,597	0	1,597
Total	\$102,238	\$40,711	\$142,949

Professional Fees – This category is 40.1 % under budget due to lower than budgeted expenditures for legal services performed by Office of Attorney General.

Information Technology – Additional expenses related to remote work caused this category to exceed the budgeted amounts by 47.0%.

Training – Due to the travel restrictions imposed in response to COVID-19 pandemic, this category is 54.5% under budget.

**Department of Savings and Mortgage Lending**  
**Liquidity Report**  
**For the Quarter Ending August 31, 2020**

	<b>ACTUAL</b>
Cash at Beginning of Period	\$ 11,376,035
Revenues Over (Under) Expenditures CY	(32,563)
Revenues Over (Under) Expenditures PY	6
Increase (Decrease) in Payables	107,639
(Increase) Decrease in Receivables	(1,986)
<b>Cash at End of Period</b>	<b>\$ 11,449,131</b>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	6,276,940
Payables (net of receivables)	561,041
Lump Sums for Retirements	195,606
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 7,033,587</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 4,415,543</u>
Total Unreserved Cash Balance	<u>\$ 4,415,543</u>
<b>Total Cash Balance</b>	<b><u>\$ 11,449,131</u></b>
Unreserved Cash/FY2020 Monthly Budget	6.8 months

**Office of Consumer Credit Commissioner  
Operating Statement and Budget Analysis  
For the Quarter Ending August 31, 2020**

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
<b>REVENUES</b>										
Industry										
Consumer Lending Industry	\$2,072,126	2,140,633	39,778	38,365	\$1,413	96.4%	2,140,633	2,182,094	(\$41,461)	101.9%
Credit Access Industry	1,181,425	1,166,200	8,492	7,150	1,342	84.2%	1,166,200	1,116,650	49,550	95.8%
MVSF Industry	4,397,417	933,300	238,127	244,678	(6,551)	102.8%	933,300	1,140,179	(206,879)	122.2%
Pawn	1,059,100	925,632	508,661	772,094	(263,433)	151.8%	925,632	848,860	76,772	91.7%
Registered Industry of Entities	315,676	293,760	27,692	16,745	10,947	60.5%	293,760	339,875	(46,115)	115.7%
Penalties	143,500	0	0	9,700	(9,700)	0.0%	0	68,900	(68,900)	0.0%
Miscellaneous Revenue	262,431	210,000	55,079	2,276	52,803	4.1%	210,000	115,626	94,374	55.1%
<b>TOTAL REVENUES</b>	<b>\$9,431,675</b>	<b>\$5,669,525</b>	<b>\$877,829</b>	<b>\$1,091,008</b>	<b>(\$213,179)</b>	<b>124.3%</b>	<b>\$5,669,525</b>	<b>\$5,812,183</b>	<b>(\$142,658)</b>	<b>102.5%</b>
<b>EXPENDITURES</b>										
Personnel Costs										
Employee Compensation	\$5,084,961	5,247,775	1,334,347	1,143,954	\$190,393	85.7%	5,247,775	4,702,643	\$545,132	89.6%
Employee Benefits	1,787,102	1,608,494	405,210	527,940	(\$122,730)	130.3%	1,608,494	1,688,213	(79,720)	105.0%
Add'l Health/Retirement	74,870	308,745	77,334	(85,035)	\$162,369	-110.0%	308,745	72,429	236,316	23.5%
Other Personnel Costs	174,451	113,870	29,458	38,882	(\$9,424)	132.0%	113,870	117,163	(3,293)	102.9%
Subtotal Personnel Costs	\$7,121,384	\$7,278,884	\$1,846,349	\$1,625,741	\$220,608	88.1%	\$7,278,884	\$6,580,449	\$698,435	90.4%
Travel										
In-State	\$771,680	769,500	192,375	17,423	\$174,952	9.1%	769,500	401,900	\$367,600	52.2%
Out-of-State	7,834	8,500	2,125	(4,587)	6,712	-215.9%	8,500	11,724	(3,224)	137.9%
Subtotal Travel	\$779,513	\$778,000	\$194,500	\$12,836	\$181,664	6.6%	\$778,000	\$413,624	\$364,376	53.2%
Operating Costs										
Professional Fees	\$101,035	226,450	56,612	28,921	\$27,691	51.1%	226,450	159,436	\$67,014	70.4%
Consumables	12,190	16,000	4,000	1,735	2,265	43.4%	16,000	9,905	\$6,095	61.9%
Office Utilities	18,732	21,400	5,350	7,280	(1,930)	136.1%	21,400	16,202	\$5,198	75.7%
Rent - Building/Space	23,908	24,750	6,188	4,330	1,858	70.0%	24,750	25,391	(\$641)	102.6%
Rent - Equipment/Other	2,995	3,300	825	425	400	51.5%	3,300	3,106	\$194	94.1%
Communications	69,932	69,775	17,444	17,980	(536)	103.1%	69,775	70,266	(\$491)	100.7%
Information Technology	274,972	237,699	59,425	67,469	(8,044)	113.5%	237,699	166,120	\$71,579	69.9%
Employee Training	13,553	13,500	3,375	254	3,121	7.5%	13,500	3,348	\$10,152	24.8%
Misc. Operating Costs	340,929	330,187	82,547	56,850	25,697	68.9%	330,187	225,052	\$105,135	68.2%
Subtotal Operating Costs	\$858,245	\$943,061	\$235,766	\$185,244	\$50,522	78.6%	\$943,061	\$678,827	\$264,234	72.0%
<b>TOTAL EXPENDITURES</b>	<b>\$8,759,143</b>	<b>\$8,999,945</b>	<b>\$2,276,615</b>	<b>\$1,823,821</b>	<b>\$452,794</b>	<b>80.1%</b>	<b>\$8,999,945</b>	<b>\$7,672,899</b>	<b>\$1,327,046</b>	<b>85.3%</b>
<b>EXPENDITURES (OVER) / UNDER REVENUES</b>	<b>\$672,532</b>	<b>(\$3,330,420)</b>	<b>(\$1,398,786)</b>	<b>(\$732,813)</b>	<b>(\$665,973)</b>		<b>(\$3,330,420)</b>	<b>(\$1,860,716)</b>	<b>(\$1,469,703)</b>	

## Office of Consumer Credit Commissioner

### Overview of Budget Variances for 4th Quarter FY 2020

#### **Revenues** – 102.5% of YTD budget

##### **MVSF Industry**

The revenue variance for the MVSF industry relates to a higher than expected rate of reinstatements (late renewals) and for new license applications with late filing fees, generally for retroactive effect to cover unlicensed activity. Most of this revenue variance was reported in the first quarter.

**Pawn-** Pawn revenue is under budget due to lower than expected renewal rates for pawn employees because of the transition to optional pawn employee licensing.

##### **Registered Entities**

The revenue variance for the registered entities relates to the timing differences in renewal cycles especially for crafted metal dealers transitioning to a December renewal time frame. Additionally registered creditors experienced a higher than expected rate of reinstatements (late renewals) and for new registration applications with late filing fees, generally for retroactive effect to cover unregistered activity.

**Misc Rev-** This variance is primarily due to decreased interest revenue due to significant declines in interest rates in Q3 and Q4.

#### **Expenditures-** 85.3% of YTD budget

##### **Salaries and Wages**

Expenditures are 89.6% of the projected budget. The variance is primarily due to vacancies. Action to fill most vacancies was suspended during the COVID-19 pandemic.

##### **Travel**

Expenditures are 53% of the YTD budget due to extremely limited travel for financial examiners and other staff due to Covid-19.

	In-State	Out-State
Regulatory Supervision	\$330,863.09	\$951.29
Development & Training	\$68,477.48	\$10,772.37
Other Reg Activities	-	-
Non-Employee	\$2,559.17	-
<b>Total</b>	<b>\$401,900.34</b>	<b>\$11,723.66</b>

##### **Additional Health & Retirement**

While the expenditures for employee benefits are properly recorded, there was a misclassification of retiree insurance in the budgeted process. It was improperly included in add'l health/ retirement category rather than the employee benefit category. Together the two categories are under budget due in large part to vacancies along with some variability in employee benefits that causes difficulty in accurate estimation.

##### **Professional Fees**



Professional Services & Fees are under budget due to costs for legal services and for architectural & engineering services being lower than expected. In addition, two IT projects were postponed beyond the fiscal year.

**Consumables**

The below budget variance is primarily due to employees working in a remote status. In the remote status, most work has occurred digitally resulting in a reduction in the purchase of consumable supplies.

**Office Utilities**

The below budget variance is primarily due to employees working in a remote status. With the office operating at a reduced capacity, the costs for office utilities have been less than normal.

**Information Technology**

Information Technology is under budget. Part of the reason for this is due to a misclassification when the accruals were recorded in FY 19. The reversal of the accrual had an impact in FY 20, because the accrual does not offset the payment of the invoice in the same category. In addition, several budgeted projects were postponed or suspended.

**Employee Training**

Employee Training is under budget due to an inability of staff to attend certain trainings. Although staff were unable to attend certain trainings, a significant number of training opportunities were made available virtually. These opportunities were provided at a much lower cost.

**Misc. Operating Costs**

Misc. Operating Costs were recorded at 68% of budget. Fees for receiving electronic payments were lower than in the previous year which is likely due to motor vehicle sales finance renewals not occurring this year with the transition to October renewal. SWCAP expenses have also been less than in the previous year. The other remaining differences reflect the overall reduced level of expenditures which occurred during the COVID-19 pandemic.

**Office of Consumer Credit Commissioner**  
**Liquidity Report**  
**For the Quarter Ending August 31, 2020**

	<b>Actual</b>
Cash at Beginning of Period	\$ 12,188,923.41
Revenues Over (Under) Expenditures	(732,812.00)
Increase (Decrease) in Payables/Encumbrances	19,516.78
(Increase) Decrease in Receivables	36,996.43
Prior period correction	(4,147.71)
<b>Cash at End of Period</b>	<u><u>\$ 11,508,476.91</u></u>

Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	6,276,324.60
Payables (net of receivables)	620,462.78
Lump sums for Retirements	202,642.84
Program Funds	-
Other	-
<b>Total Reserved Cash Balance</b>	<u><u>7,099,430.22</u></u>
Unreserved Cash Balance:	
Future Operations	<u>4,409,046.69</u>
<b>Total Unreserved Cash Balance</b>	<u><u>4,409,046.69</u></u>
 <b>Total Cash Balance</b>	 <u><u>\$ 11,508,476.91</u></u>
 Unreserved Cash / FY 2020 Monthly Budget	 5.9



## **TFEE Report – October 16, 2020**

### ACTIVITIES RELATING TO THE TEXAS FINANCIAL ENDOWMENT FUND

As a result of TFEE grant funding during the 2018-2019 cycle, financial education services were provided by nine grant award recipients to 21,314 individuals. Texans were provided with 14,967 direct contact hours of financial education, and \$225,920.63 was reimbursed to support statewide financial capability and consumer credit building activities and programs. The 2018-2019 TFEE Impact Report is available for review with further details.

The first period of the TFEE 2020-2021 Grant Cycle ran from March 1, 2020 through June 30, 2020. Reimbursement requests for this period have been processed and an aggregate total of \$39,876.27 was reimbursed to ten grant recipients. Several grant recipients had less reimbursable activity than forecasted as a result of the pandemic. However, several award recipients have shifted to online and remote models and anticipate more activity over the remainder of the grant cycle. The TFEE 2020-2021 first semi-annual report is available for review with additional details on award recipient activity.



**2020-21 GRANT CYCLE  
SEMI-ANNUAL REPORT No. 1**

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**MARCH 1, 2020 – JUNE 30, 2020**

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### **Grant Advisory Committee**

Molly Curl, Finance Commission Representative  
Laura Nassri Warren, Finance Commission Representative  
Eric Norrington, Credit Access Business Industry Representative  
Steven O'Shields, Department of Savings and Mortgage Lending Representative  
Laura Rosen, Consumer Advocate Representative  
Roy Lopez, Financial Education Consultant

### **Grant Coordinator**

Andrea Johnson, Office of Consumer Credit Commissioner

### **2020-21 TFEE Grant Recipients**

Building Financial Capacity Coalition	K-12 Financial Education & Capability
Center for Transforming Lives	Financial Coaching
Easter Seals of Greater Houston	Financial Coaching
Family Eldercare	Adult Financial Education & Capability
Family Services Association of San Antonio	Financial Coaching
FirstLight Community Foundation	K-12 Financial Education & Capability
Foundation Communities	Financial Coaching
Girl Scouts of Northeast Texas	K-12 Financial Education & Capability
Texas State Affordable Housing Corp.	Financial Coaching
Women's Resource of Greater Houston	Adult Financial Education & Capability

# Summary

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The Texas Financial Education Endowment awarded ten organizations an aggregate amount of \$300,000 in funds for program activities related to the 2020-21 grant cycle. These organizations promote and strengthen financial education and capability across Texas.

During the first reporting period many of our TFEE recipients struggled to meet their goals due to the pandemic. The numbers reflected are a direct result of having to change or postpone program activities due to the pandemic. During the first reporting period (March 1, 2020 – June 30, 2020), grant funds provided 2,204 hours of direct financial education training to 1,610 Texas consumers through group presentations and one-on-one financial coaching sessions. In addition, 84 teachers were trained to be better prepared to provide financial education to their students in accordance with Texas standards.

## *Funds Disbursement to Date*

<b>Amount Awarded</b>	<b>\$300,000.00</b>
<b>Reimbursement Requests (No. 1 March 1, 2020 – June 30, 2020)</b>	
Building Financial Capacity Coalition	\$7,534.80
Center for Transforming Lives	\$8,184.54
Easter Seals of Greater Houston	\$6,666.67
Family Eldercare	\$1,210.50
Family Service Association of San Antonio	\$4,333.15
FirstLight Community Foundation	\$0.00
Foundation Communities	\$5,641.06
Girl Scouts of Northeast Texas	\$1,363.75
Texas State Affordable Housing Corporation	\$0.00
Women's Resource of Greater Houston	\$4,941.80
<b>Total Requested Amount for Reimbursement Request No. 1:</b>	<b>\$39,876.27</b>
<b>Total Requested Amount to Date:</b>	<b>\$39,876.27</b>
<b>% of Funds Expended to Date:</b>	<b>13.3%</b>
<b>Amount Of Funds Remaining</b>	<b>\$260,123.73</b>

# Building Financial Capacity Coalition

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The Building Financial Capacity Coalition's mission is to foster community prosperity for the Rio Grande Valley by enhancing the knowledge and skills needed for improved financial decision making.

The Money Smart Ambassador Program was created to teach young adults the importance and the basics of personal finances. Building Financial Capacity Coalition partners with local high schools to embed the curriculum into required classes and holds an Annual Financial Literacy Summit in partnership with congressmen from the area.

**PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$27,000**

**FUNDS REQUESTED THIS PERIOD: \$7,534.80 | TOTAL REIMBURSED YTD: \$7,534.80**

## *Program Update*

During this first reporting period 164 teachers and students were reached through 612 direct contact training hours.

The organization is working on modifying best practices due to COVID-19 affecting school districts across Texas. K-12 Financial Education and Capability programs were hit hardest due to the pandemic.

*Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Restructuring the program to accommodate an online platform
- Facilitates annual Financial Education Summit in the Rio Grande Valley reaching 1,000+ students each year

## *Major Achievements*

- Started 2020 early with the Ambassador Training – Train the Trainer for students and teachers
  - 26 Students from Brownsville ISD
  - 16 Students from Harlingen CISD
  - 24 Students La Feria ISD, Santa Rosa ISD
  - 10 Students from San Perlita ISD
- 10 additional teachers to represent the different school districts

## *Biggest Challenges*

- Coronavirus Pandemic caused restructuring
- Four Congressional summits were cancelled due to the pandemic



# Center for Transforming Lives

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Center for Transforming Lives helps homeless and impoverished women, children, and families move from poverty to independence through homeless services (an emergency shelter for women and housing assistance for families), Early Childhood Development (providing free or subsidized early childhood education to impoverished and homeless families), and Financial Empowerment Services (individual financial coaching and other programs to promote financial self-sufficiency).

The goal for this program is to empower participants to develop financial self-sufficiency, credit improvement, and asset building through one-on-one, long term financial coaching.

**PROGRAM TYPE: FINANCIAL COACHING**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000**

**FUNDS REQUESTED THIS PERIOD: \$8,184.54 | TOTAL REIMBURSED YTD: \$8,184.54**

## *Program Status to Date*

During the first reporting period, Center for Transforming Lives provided 26 participants with one-on-one financial coaching.

While on track to meet or exceed their goal, the organization was hit hard by the pandemic causing certain unavoidable setbacks. In mid-March the organization discontinued all in-person workshops and individual coaching sessions. Although staff quickly transitioned to virtual platforms there were challenges completing the forms traditionally done in person and engaging participants who had other family priorities related to children, employment, and loss of income.

### *Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Providing virtual financial coaching
- Supporting clients where they are through the new service offered thanks to virtual coaching

## *Major Achievements*

- Due to virtual classes clients were able to attend more sessions multiple times a week
- Provided a total of 26 participants with financial education services
- Increase in the number of sessions clients participate in

## *Biggest Challenges*

- Retaining participation after transitioning from in-person financial coaching to virtual financial coaching due to the pandemic
- Completing pre- and post- surveys
- Clients not being able to complete forms due to technological challenges

# Easter Seals of Greater Houston

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For over 70 years, Easter Seals of Greater Houston has been offering help, hope, and answers to people of all ages with disabilities and their families. Through therapy, training education, and support services, Easter Seals creates life-changing solutions so that people with disabilities can live, learn, work, and play in our community.

The goal of the organization's adult financial education and capability program is to provide financial coaching to low income families, especially veterans and people with disabilities, to help them meet their goals of creating a budget, reducing debt, increasing savings, improving credit scores, becoming banked and saving for a specific purpose such as the purchase of a new home.

**PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000**

**FUNDS REQUESTED THIS PERIOD: \$6,666.67 | TOTAL REIMBURSED YTD: \$6,666.67**

## *Program Status to Date*

During the first reporting period, Easter Seals of Greater Houston was able to assist 36 people to build a financial blueprint to lead them to homeownership. 11 of those individuals have gone on to purchase their first home.

Despite success, Easter Seals of Greater Houston did face setbacks brought on by the pandemic. The organization quickly transitioned to online services in order to continue to reach their clients. The organization is harnessing virtual coaching sessions to help people achieve their financial goals.

### *Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Began virtual homebuyer classes for clients
- Began virtual financial coaching sessions for groups and one-on-one
- Working with their Bridging Apps Program to provide loaned devices and assistance/training with the use of devices to access the internet to reach client's needs in order to continue financial education and capability for those they serve

## *Major Achievements*

- 25 Families counseled one-on-one through grant funds
- 11 Families purchased their first homes
- Counseling hours increased due to the shift to online coaching

## *Biggest Challenges*

- Continuing to serve clients during the almost total shut-down of normal operations due to the pandemic
- Technological setbacks due to some clients not having internet access

# Family Eldercare

---

Family Eldercare was founded in 1852 by a group of professionals concerned with supporting the family's role as caregiver for frail elders through training and information. The agency expanded to include services to prevent abuse, neglect, and financial exploitation of elders and adults with disabilities.

The purpose of their program is to develop and pilot a curriculum to support the capacity of Family Eldercare's case managers to promote the financial capability of aging Texans, especially those who have experienced homelessness. The goal is to offer a continuum of services to empower more of our clients to become financially independent and secure, while also enabling case managers to focus their attention on the clients requiring more intensive money management services.

**PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000**

**FUNDS REQUESTED THIS PERIOD: \$1,210.50 | TOTAL REIMBURSED YTD: \$1,210.50**

## *Program Status to Date*

Family Eldercare is using grant funds to develop and pilot a financial education curriculum that will allow select Money Management clients whose income is actively managed by their staff to gain the necessary knowledge and skills to independently manage their finances. During the pilot phase of the program, clients will be practicing their own money management under the oversight of their current manager or case manager. Upon completion, students will understand their household budgets and have a system for managing their own money.

The program is central to the organization's mission because it promotes independence and stability through an individualized, person-centered approach.

## *Reporting Period Update (March 1, 2020 – June 30, 2020)*

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### *Program Activities*

- The program is in its preliminary stages; staffing and research

### *Major Achievements*

- Successfully hiring the individual to head-up the project with former Family Eldercare Money Management program experience.

### *Biggest Challenges*

- Tailoring existing financial education curriculum to the specific needs of the organization's clients
- Modifying curriculum to meet various cognitive levels, reading abilities, and ideal learning styles of the broad spectrum of clients the organization serves
- Due to the pandemic staff had to quickly implement a remote work environment to include the financial education program

# Family Service Association of San Antonio

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Family Service Association of San Antonio seeks to increase economic opportunities for low-income families and individuals. The Financial Empowerment Services program provides San Antonio residents financial education and capability services through one-on-one financial counseling. The focus is on reducing debt, increasing credit scores, savings, banking, and wealth building.

Family Service Association of San Antonio has provided financial empowerment consisting of one-on-one financial counseling and coaching for over six years in an effort to effect low-income family's economic stability and sustainability in impactful and measurable ways.

**PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000**

**FUNDS REQUESTED THIS PERIOD: \$4,333.15 | TOTAL REIMBURSED YTD: \$4,333.15**

## *Program Status to Date*

During the first reporting period, Family Service Association of San Antonio provided 1,122 participants with 1,592 direct contact hours of one-on-one financial coaching sessions. In addition, the organization helped 210 individuals increase their credit scores by an average of 10% and 264 participants reduced their debt.

*Reporting Period Update (March 1, 2020 – June 30, 2020)*

---

## *Program Activities*

- Added another financial counselor to help meet the demand of the program
- Constant contact with clients to keep them engaged in and help them to re-evaluate financial goals

## *Major Achievements*

- Strong programmatic achievements and participants achieve high outcomes in a relatively short amount of time
- 144 participants counseled on pre-homeownership
- Seven participants purchased homes

## *Biggest Challenges*

- More demand for the program than the organization can staff to assist
  - Determined the level of emergency financial assistance needed to help streamline and decrease overflow

# FirstLight Community Foundation

---

FirstLight Community Foundation strives to help youth and families in the El Paso and Las Cruces communities improve their lives by achieving financial independence. The FirstLight Community Foundation charitable foundation was founded in 2015. Through strategic analysis, the decision was made to incorporate financial literacy and scholarships as focus for the foundation, in order to help youth and families achieve financial independence.

FirstLight Community Foundation believes that it has a social responsibility to play a vital role in the overall financial capability of the communities it serves. The focus is to incorporate social change in the community, find new ways to get vulnerable people access to capital, and to be part of the framework and driving force behind community financial literacy efforts.

**PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: ONE YEAR | AMOUNT AWARDED: \$13,000**

**FUNDS REQUESTED THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$0.00**

## ***Program Status to Date***

*FirstLight Community Foundation focuses on the Brighter U Financial Literacy Program providing implementation of financial education into El Paso Independent School District High Schools. Brighter U is an engaging, online resource that uses video, animations and interactive activities to bring complex financial concepts to life for students.*

The program is typically implemented in the spring semester. Due to the pandemic the financial literacy program was hit hard. The organization's grant funding and program activities have been moved to the 2020-2021 school year.

***Reporting Period Update (March 1, 2020 – June 30, 2020)***

---

## ***Program Activities***

- No program activities to date

## ***Major Achievements***

### ***Biggest Challenges***

- Pandemic caused major restructuring of the financial literacy program, postponing it until the 2020-2021 school year

# Foundation Communities

---

Foundation Communities is a local, homegrown nonprofit since 1990. It provides affordable, attractive homes and free on-site support services for thousands of families with kids, as well as veterans, seniors, and individuals with disabilities. The organization offers an innovative, proven model that empowers residents and neighbors to achieve educational success, financial stability, and healthier lifestyles. The organization owns and operates 23 communities all over Austin and in North Texas. The organization's programs are made possible in large part by more than 2,500 volunteers each year.

**PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000**

**FUNDS REQUESTED THIS PERIOD: \$5,641.06 | TOTAL REIMBURSED YTD: \$5,641.06**

## *Program Status to Date:*

Due to the pandemic, the Financial Coaching program had to pivot from goal-oriented coaching delivered in-person, to emergency response-based coaching delivered virtually, in order to safely meet the needs of our community. Remaining in line with Foundation Communities' mission to provide housing where families succeed, meant helping residents and other community members financially keep their heads above water through access to emergency resources. Financial Coaching was closed for a month while we assessed community needs, trained Financial Coaches on how to help clients meet those needs, and set up systems to provide services virtually.

*Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Volunteer training has been switched to virtual training
- Transitioned to fully virtual delivery model of financial coaching
- Change focus of coaching from long-term goal planning to short-term resource attainment
- Trained 10 financial coaching volunteers on community resources and virtual delivery

## *Major Achievements*

- Provided 163 participants with financial coaching
- Served the community through 226 direct contact hours
- Biggest success conducting a pivot in service to help clients access emergency resources when they need them most

## *Biggest Challenges*

- Tracking and measuring success due to the necessary quick transition to virtual delivery brought on by the pandemic
  - Spent more time planning and executing the transition into a new data system which was completed in July
- The launch of Fig Loans was postponed when in-person events were cancelled also due to the pandemic

# Girl Scouts of Northeast Texas

---

Girl Scouts of Northeast Texas *inspires girls everywhere to stand up and make a difference. By nurturing innovation and developing leadership skills, they prepare girls to overcome challenges and advocate for their ideas now and later. Girl Scouts of Northeast Texas is more than 25,000 girls and 12,500 adult members strong.*

Girl Scouts of Northeast Texas covers 32 counties beginning just North of Waco extending to the Oklahoma state line and from Irving to the Louisiana border.

Their financial literacy program is geared toward girls in grades K-8 and will run in tandem with the Girl Scout Cookie program which teaches entrepreneurship skills. The curriculum offers interactive, hands-on activities to engage girls while they learn about financial education. It is designed to support Girl Scout program levels and school grade levels: Daisy (K-1); Brownie (2-); Junior (4-5); and Cadette (6-8).

**PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000**

**FUNDS REQUESTED THIS PERIOD: \$1,363.75 | TOTAL REIMBURSED YTD: \$1,363.75**

## ***Program Status to Date:***

For the period of March 1, 2020 – June 30, 2020, Girl Scouts of Northeast Texas is on track for the grant plan. The first reporting period staff created age-appropriate curriculum focused on financial literacy alignment with the TEKS standards. Curriculum is complete and is being reviewed internally and externally by program managers and partners.

### ***Reporting Period Update (March 1, 2020 – June 30, 2020)***

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## ***Program Activities***

- Seven in-school curriculum modules and eight after-school modules were created to be implemented in the 2020-2021 school year
- Curriculum is now under review by external partners

## ***Major Achievements***

- Designed and completed new financial education curriculum to be better suited for their target audience

## ***Biggest Challenges***

- The pandemic is a large concern going into the 2020-2021 school year

# Texas State Affordable Housing Corporation

---

Texas State Affordable Housing Corporation is a nonprofit organization incorporated in 1994. Texas State Affordable Housing Corporation was created at the direction of the Texas Legislature to serve as a self-sustaining, statewide affordable housing provider. It operates under the belief that every Texan deserves the opportunity to live in safe, decent, and affordable housing. As the population of our state continues to grow at a record rate, the need for affordable housing in Texas has only increased.

The organization's programs target the housing needs of low-income families and other underserved populations who do not have acceptable housing options through conventional financial channels. Texas State Affordable Housing Corporation's mission is to address this critical and expanding need with initiatives such as first time home buyer grants and other down payment assistance programs.

**PROGRAM TYPE: FINANCIAL COACHING**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000**

**FUNDS REQUESTED THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$0.00**

## *Program Status to Date:*

Due to the pandemic, Texas State Affordable Housing Corporation had to postpone its 2020 in-person Housing Connection workshop from June 1-5, 2020 until December 7-11, 2020. The organization is still planning to utilize TFEE grant support for its Homeownership Counseling Certification course offered during that workshop, which will then be in-person or online. The course teaches counselors how to provide one-on-one counseling sessions to help consumers prepare for homeownership by addressing savings, credit, and debt barriers.

During the 2020 summer, the organization offered the Mortgage Math Made Simple for Homeownership Professionals. It is an online course taught by NeighborWorks America. It is designed to help housing and financial counselors gain confidence with basic calculations used in residential mortgage lending.

## *Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Worked to move to online options for their homeownership coaching

## *Major Achievements*

- Staff has been able to adapt and shift gears to an online coaching platform in order to keep the program on track with the option of virtual coaching
- Added Mortgage Math Made Simple for Homeownership Professionals classes

## *Biggest Challenges*

- Reevaluation and postponement of the 2020 in-person Housing Connection workshop due to the pandemic
  - Moved from June to December



# Women's Resource of Greater Houston

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Women's Resource of Greater Houston helps women and girls make choices toward becoming independent, productive and financially stable. In the organization's programs, women acquire the essential financial knowledge, skills, and confidence they need to make sound decisions and improve their lives – for themselves and for generations to come.

For 2.8 million Houstonians who are experiencing financial distress, The Women's Resource trains and coaches women and girls, meeting them where they are. The organization inspires financial change, improving financial health, and overall individual and family wellbeing.

Women's Resource of Greater Houston envisions a day when every woman and girl has the KNOWLEDGE and HOPE she needs to reach her financial goals.

**PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY**

**GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000.00**

**FUNDS REQUESTED THIS PERIOD: \$4,941.80 | TOTAL REIMBURSED YTD: \$4,941.80**

## *Program Status to Date*

Women's Resources offers two programs for adult clients - YourLife Finance Classes (group presentations) and YourLife Possibility Groups (small group counseling).

Due to the pandemic, in-person classes were put on hold as the organization transitioned to a virtual platform. It's anticipated that virtual will be the main source of class delivery for the remainder of 2020.

### *Reporting Period Update (March 1, 2020 – June 30, 2020)*

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## *Program Activities*

- Trained 35 volunteers to become virtual instructors
  - Uses two volunteers: one to train and the other monitors questions
- Extensive use of social media to drive registration numbers
- Designed and launched "Crushing Your Credit in 2-Days" online

## *Major Achievements*

- Greatest achievement is to the ability to quickly pivot to a virtual learning environment to continue to meet the needs of women in the community
- Most successful online class is a 2-day "Brunch & Budgets" on the weekend
- 349 individuals were directly served through 76 courses

## *Biggest Challenges*

- Eliminating large class gatherings, due to the pandemic, has been a challenge because of technological issues such as streaming capacity and client resources

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