

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, December 11, 2020**

The Finance Commission of Texas convened at 9:39 a.m. on December 11, 2020 with the following members present:

**Finance Commission Members in Attendance (via webinar):**

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

Commissioner Charles Cooper announced there was a quorum with eleven members present. *(1:24 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. Finance Commission Matters</b>		
1. Review and Approval of the Minutes of the October 16, 2020 Finance Committee Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	2:39 start of discussion  3:08 Vote
2. General Public Comment	No Action Required.	2:02 start of discussion
3. Consent Agenda – Items A1, B2, C2 – C4, and D2 – D3	Vince Puente made a motion to Approve Consent Agenda items A1, B2, C2 – C4, and D2 – D3. Will Lucas seconded and the motion passed.	2:39 start of discussion  3:08 Vote
4. Finance Commission Operations	No Action Required.	3:43 start of discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2021 Internal Auditor's Risk Assessment and Audit Plan  1. Office of Consumer Credit Commissioner 2. Texas Department of Banking 3. Department of Savings and Mortgage Lending	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' Fiscal Year 2021 Internal Auditor's Risk Assessment and Audit Plan passed.	7:48 start of discussion  7:54 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>6. Status Report on Implementation of Sunset Recommendation</p> <p>A. Compliance with Sunset Legislation</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Texas Department of Banking</li> <li>3. Department of Savings and Mortgage Lending</li> </ol> <p>B. Sunset Recommendation 2.4 – Direct the Finance Commission to Analyze and Report on the Implementation of their New Fund Balance Policy Adopted in February 2018</p>	<p>No Action Required.</p>	<p>8:35 start of discussion</p>
<p>7. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>8. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>9. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-client Privileged Communications from our Attorneys, Including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>10. 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</p>	<p>No Discussion.</p>	<p>n/a</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<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.	17:40 start of discussion
<b>2. On Consent</b>	<b>On Consent Agenda – Item B2</b> This item Approved on the Consent Agenda.	n/a
3. 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>	No Discussion.	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.	38:40 start of discussion
<b>2. On Consent</b>	<b>On Consent Agenda – Item C2</b> This item Approved on the Consent Agenda.	n/a
<b>3. On Consent</b>	<b>On Consent Agenda – Item C3</b> This item Approved on the Consent Agenda.	n/a
<b>4. On Consent</b>	<b>On Consent Agenda – Item C4</b> This item Approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §33.13, Concerning Refund of MSB License Application Fees	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §33.13, Concerning Refund of MSB License Application Fees. Bob Borochoff seconded and the motion passed.	54:23 start of discussion  58:32 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a
<b>D. Department of Savings and Mortgage Lending</b>		
1. Industry Status and Departmental Operations: a) State Savings Bank Examinations and Supervision Division Activities; b) Mortgage Licensing Division Activities; c) Mortgage Examinations Division Activities; d) Consumer Complaints Division Activities; e) Administration and Finance Division Activities; f) Legal Division Activities, including Gift Reporting; and g) Legislative Activities	No Action Required.	1:01:39 start of discussion
<b>2. On Consent</b>	<b>On Consent Agenda – Item D2</b> This item Approved on the Consent Agenda.	n/a
<b>3. On Consent</b>	<b>On Consent Agenda – Item D3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC §§80.1, 80.2, 80.200, 80.202 - 80.206, 80.300, and 80.301, Concerning Texas Residential Mortgage Loan Companies, Resulting from Rule Review	Larry Long made a motion to Approve the Adoption of Amendments to 7 TAC §§80.1, 80.2, 80.200, 80.202 - 80.206, 80.300, and 80.301, Concerning Texas Residential Mortgage Loan Companies, Resulting from Rule Review. Molly Curl seconded and the motion passed.	1:20:21 start of discussion  1:23:36 Vote
5. Discussion of and Possible Vote to Take Action on the Adoption 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	Will Lucas made a motion to Approve the Adoption 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. Laura Warren seconded and the motion passed.	1:24:19 start of discussion  1:25:53 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 75, Concerning Applications, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 75, Concerning Applications, Resulting from Rule Review. Robin Armstrong seconded and the motion passed.	1:26:45 start of discussion  1:29:23 Vote

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7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments, and Repeals in 7 TAC, Part 4, Chapter 76, Concerning Miscellaneous, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of Amendments, and Repeals in 7 TAC, Part 4, Chapter 76, Concerning Miscellaneous, Resulting from Rule Review. Laura Warren seconded and the motion passed.	1:30:27 start of discussion  1:31:51 Vote
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC §77.10, Concerning Non-Real Estate Commercial Loans, Resulting from Rule Review	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC §77.10, Concerning Non-Real Estate Commercial Loans, Resulting from Rule Review. Sharon McCormick seconded and the motion passed.	1:32:29 start of discussion  1:34:31 Vote
9. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

Chairman Phillip Holt called for an Executive Session at 11:15 a.m. *(1:35:30 on the audio file)*. The open meeting resumed at 11:44 a.m. *(1:36:54 on the audio file)*.

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 11:45 a.m. *(1:37:13 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