

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, October 15, 2021**

The Finance Commission of Texas convened at 9:28 a.m., on October 15, 2021, with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Will Lucas
George "Cliff" McCauley, Vice Chairman	Sharon McCormick
Bob Borochoff	Vince Puente
Hector Cerna	Debbie Scanlon
Larry Long	Laura Warren

Chairman Phillip Holt announced there was a quorum with 10 members present. (1:08 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 August 20, 2021 Finance Committee Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:22 start of discussion
3. Consent Agenda – Items A1 and D7	Vince Puente made a motion to Approve Consent Agenda items A1 and D7. Laura Warren seconded and the motion passed.	2:13 start of discussion  2:31 Vote
4. Finance Commission Operations	No Action Required.	2:52 start of discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021 Fourth Quarter Investment Officer Reports	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2021 Fourth Quarter Investment Officer Reports passed.	3:44 start of discussion
1. Texas Department of Banking		3:55 Vote
2. Office of Consumer Credit Commissioner		
3. Department of Savings and Mortgage Lending		

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission to Take Action on the Agencies' 2021 Fourth Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Department of Savings and Mortgage Lending</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2021 Fourth Quarter Financial Statements passed.</p>	<p>4:09 start of discussion</p> <p>4:17 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Amend the Amount of Grant Awards for the 2022-2023 Grant Cycle for the Texas Financial Education Endowment (TFEE)</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Amendment to the Amount of Grant Awards for the 2022-2023 Grant Cycle for the Texas Financial Education Endowment (TFEE) passed.</p>	<p>4:31 start of discussion</p> <p>4:42 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund passed.</p>	<p>5:21 start of discussion</p> <p>8:01 Vote</p>
<p>6. Status Report on Implementation of Sunset Management Recommendations</p> <p>A. Sunset Recommendation 2.6 – “Direct the Finance Commission to minimize duplication of agency functions and promote more cost-efficient administration of the finance agencies.”</p>	<p>No Action Required.</p>	<p>8:10 start of discussion</p>
<p>7. Discussion of the Condition of the Texas State Banking System.</p>	<p>No Action Required.</p>	<p>10:50 start of discussion</p>
<p>8. Discussion of and Possible Vote to Take Action on the Accomplishment Reports for Fiscal Year 2021 for the Commissioners of the Texas Department of Banking, Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending</p>	<p>Laura Warren made a motion to Approve the Accomplishment Reports for Fiscal Year 2021 for the Commissioners of the Texas Department of Banking, Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending. Sharon McCormick seconded and the motion passed.</p>	<p>11:06 start of discussion</p> <p>11:19 Vote</p>
<p>9. Status Report from the Search Committee on the Process to Recommend Candidates for Consideration to Fill the Position of Department of Savings and Mortgage Lending Commissioner</p>	<p>No Action Required.</p>	<p>11:52 start of discussion</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
10. Discussion of and Possible Vote to Take Action on the Selection of an Executive Recruiting Service to Conduct a Search for Additional Qualified Candidates to Fill the Position of Department of Savings and Mortgage Lending Commissioner	No Discussion.	n/a
11. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Appointment of a New Texas Department of Savings and Lending Commissioner	No Discussion.	n/a
12. Discussion of and Possible Vote to Take Action Regarding Personnel Matters 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, Deliberation with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	No Discussion.	n/a
13. 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	No Discussion.	n/a
14. 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	No Discussion.	n/a
15. 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	No Discussion.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>B. Texas Department of Banking</b>		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department’s Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	13:36 start of discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a
<b>C. Office of Consumer Credit Commissioner</b>		
1. Industry Status and Departmental Operations: a) Consumer Protection and Assistance Division Activities; b) Licensing Division Activities; c) Administration Division Activities; d) Financial Division Activities; e) Legal Division Activities; and f) Legislative Activities	No Action Required.	40:43 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 1, Chapter 7, Concerning Texas Financial Education Endowment Fund, and Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review	<p>Vince Puente made a motion to Amend the Adoption of Amendments to 7 TAC, Part 1, Chapter 7, Concerning Texas Financial Education Endowment Fund, and Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review. Bob Borochoff seconded and the motion passed.</p> <p>Vince Puente made a motion to Approve the Adoption of Amendment to 7 TAC, Part 1, Chapter 7, Concerning Texas Financial Education Endowment Fund, and to Reconsider the Amendment to Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses, Resulting from Rule Review, as Amended. Bob Borochoff seconded and the motion passed.</p>	<p>1:02:50 start of discussion</p> <p>1:38:54 Vote on motion to amend adoption</p> <p>1:40:34 Vote on motion to approve adoption as amended</p>
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments and a Repeal in 7 TAC, Part 5, Chapter 89, Concerning Property Tax Lenders, Resulting from Rule Review	Will Lucas made a motion to Approve the Adoption of Amendments and a Repeal in 7 TAC, Part 5, Chapter 89, Concerning Property Tax Lenders, Resulting from Rule Reviews. Debbie Scanlon seconded and the motion passed.	<p>1: 41:06 start of discussion</p> <p>1:42:09 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
4. 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>D. Department of Savings and Mortgage Lending</b>		
1. Industry Status and Departmental Operations: a) Thrift Regulation Division Activities; b) Mortgage Regulation Division Activities; c) Operations Division Activities; d) Legal Division Activities, including Consumer Complaints and Gift Reporting; e) Legislative Activities	No Action Required.	1:43:27 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 80, Subchapter B, Concerning Licensing, Resulting from Rule Review	Vince Puentes made a motion to Approve the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 80, Subchapter B, Concerning Licensing, Resulting from Rule Review. Laura Warren seconded and the motion passed.	2:14:06 start of discussion  2:19:26 Vote
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 81, Subchapter B, Concerning Licensing, Resulting from Rule Review	Larry Long made a motion to Approve the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 81, Subchapter B, Concerning Licensing, Resulting from Rule Review. Sharon McCormick seconded and the motion passed.	2:19:46 start of discussion  2:22:12 Vote
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 80, Concerning Texas Residential Mortgage Loan Companies	Will Lucas made a motion to Approve the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 80, Concerning Texas Residential Mortgage Loan Companies. Laura Warren seconded and the motion passed.	2:22:39 start of discussion  2:24:14 Vote
5. Discussion of and Possible Vote to Take Action on the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators	Laura Warren made a motion to Approve the Adoption of Amendments, New Rules, and Repeals in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators. Debbie Scanlon seconded and the motion passed.	2:24:38 start of discussion  2:27:43 Vote
6. Discussion of and Possible Vote to Take Action on the Adoption of New Rules in 7 TAC, Part 4, Chapter 52, Concerning Department Administration	Will Lucas made a motion to Approve the Adoption of New Rules in 7 TAC, Part 4, Chapter 52, Concerning Department Administration. Larry Long seconded and the motion passed.	2:28:03 start of discussion  2:13:16 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of a New Rule and the Repeal of 7 TAC §76.95, Concerning Fee for Special Examination or Audit	<b>On Consent Agenda – Item D7</b> This item Approved on the Consent Agenda.	n/a
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New Rules in 7 TAC, Part 4, Chapter 78, Concerning Wrap Mortgage Loans	Laura Warren made a motion to Approve the Proposal and Publication for Comment of New Rules in 7 TAC, Part 4, Chapter 78, Concerning Wrap Mortgage Loans. Will Lucas seconded and the motion passed.	2:31:40 start of discussion  2:48:31 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 12:27p.m. (2:49:16 on the audio file). The open meeting resumed at 12:50 p.m. (2:49:49 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>Executive Session</b>		
10. Discussion of and Possible Vote to Take Action on the Selection of an Executive Recruiting Service to Conduct a Search for Additional Qualified Candidates to Fill the Position of Department of Savings and Mortgage Lending Commissioner	No Action Taken.	n/a
11. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Appointment of a New Texas Department of Savings and Mortgage Lending Commissioner	No Action Taken.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 12:50 p.m. (2:50:03 on the audio file).

/s/Phillip Holt

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Phillip Holt, Chairman  
Finance Commission of Texas

/s/Charles G. Cooper

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Charles G. Cooper, Executive Director  
Finance Commission of Texas

/s/Ruth Wright

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Ruth Wright, Executive Assistant  
Finance Commission of Texas