

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, February 18, 2022**

The Finance Commission of Texas convened at 9:11 a.m., on February 18, 2022, with the following members present:

Finance Commission Members in Attendance:

Phillip Holt, Chairman
George "Cliff" McCauley, Vice Chairman
Hector Cerna
Larry Long

Will Lucas
Sharon McCormick
Vince Puente
Laura Warren

Finance Commission Members Absent:

Robin Armstrong
Bob Borochoff

Debbie Scanlon

Chairman Phillip Holt made a motion to excuse Robin Armstrong, Bob Borochoff, and Debbie Scanlon from the Finance Commission meeting held on February 18, 2022. There were no objections and the motion passed unanimously. (0:32 on audio file)

Commissioner Charles G. Cooper announced there was a quorum with eight (8) members present. (1:30 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the December 16 and 17, 2021 Finance Committee Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	2:38 start of discussion
3. Consent Agenda – Items A1, and B2-B4	Laura Warren made a motion to Approve Consent Agenda items A1, and B2-B4. Will Lucas seconded and the motion passed.	3:14 start of discussion 3:33 Vote
4. Finance Commission Operations	No Action Required.	3:57 start of discussion
5. Presentation from the Texas Treasury Safekeeping Trust Company related to the Texas Financial Education Endowment Fund	No Action Required.	5:41 start of discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
6. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2022 First Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 First Quarter Investment Officer Reports passed.	38:27 start of discussion 38:41 Vote
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2022 First Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 First Quarter Financial Statements passed.	38:54 start of discussion 39:02 Vote
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund	No Discussion.	n/a
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of a New Grant Advisory Committee Member Deborah Reyes	Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Appointment of a New Grant Advisory Committee Member Deborah Reyes passed.	39:15 start of discussion 39:24 Vote
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 8, Chapter 153, Concerning Home Equity Lending	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 8, Chapter 153, Concerning Home Equity Lending. Sharon McCormick seconded and the motion passed.	39:51 start of discussion 46:18 Vote
8. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	No Discussion.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
9. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	No Discussion	n/a
10. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-client Privileged Communications from our Attorneys, Including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation	No Discussion.	n/a
11. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by Texas Government Code Sections. 551.076 and 551.089	No Discussion.	n/a
B. Office of Consumer Credit Commissioner		
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.	46:56 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 5, Chapter 85, Subchapter B, Concerning Rules for Crafted Precious Metal Dealers	On Consent Agenda – Item B2 This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 5, Chapter 88, Concerning Consumer Debt Management Service, Resulting from Rule Review	On Consent Agenda – Item B3 This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Readoption of Chapter 83, Subchapter A, Concerning Rules for Regulated Lenders, Resulting from Rule Review	On Consent Agenda – Item B4 This item Approved on the Consent Agenda	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 83, Subchapter A, Concerning Rules for Regulated Lenders, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 83, Subchapter A, Concerning Rules for Regulated Lenders from Rule Review. Larry Long seconded and the motion passed.	1:07:27 start of discussion 1:11:46 Vote
6. 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
C. Department of Savings and Mortgage Lending		
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; and e) Legislative Activities	No Action Required.	1:12:23 start of discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of a New Rule and Repeal of §80.204 in 7 TAC, Part 4, Chapter 80, Concerning Residential Mortgage Loan Companies	Will Lucas made a motion to Approve the Proposal and Publication for Comment of a New Rule and Repeal of §80.204 in 7 TAC, Part 4, Chapter 80, Concerning Residential Mortgage Loan Companies. Laura Warren seconded and the motion passed	1:24:52 start of discussion 1:30:54 Vote
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of a New Rule and Repeal of §81.204 in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators	Larry Long made a motion to Approve the Proposal and Publication for Comment of a New Rule and Repeal of §81.204 in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators. Sharon McCormick seconded and the motion passed.	1:31:08 start of discussion 1:32:54 Vote
4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

D. Texas Department of Banking		
AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities, including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	1:37:44 start of discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Chapter 33, §§33.7, 33.23, 33.27, 33.33, 33.37, 33.51, 33.54, Concerning Money Services, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Chapter 33, §§33.7, 33.23, 33.27, 33.33, 33.37, 33.51, 33.54, Concerning Money Services, Resulting from Rule Review. Sharon McCormick seconded and the motion passed.	1:58:27 start of discussion 2:00:22 Vote
3. 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 11:12 a.m. (2:01:17 on the audio file). The open meeting resumed at 11:43 a.m. (2:02:49 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
Executive Session		
8. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Persona 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	Vince Puente made a motion to Approve the Department of Savings and Mortgage Lending Commissioner Hector Retta consider a One-time Merit Pay Adjustment for Department of Savings and Mortgage Lending Deputy Commissioner Stephany Trotti. Sharon McCormick seconded and the motion passed.	2:02:58 start of discussion 2:03:01 Vote

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 11:44 a.m. (2:04:20 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/Ruth Wright

Ruth Wright, Executive Assistant
Finance Commission of Texas