

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, June 24, 2022**

The Finance Commission of Texas convened at 9:30 a.m., on June 24, 2022, with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Will Lucas
George "Cliff" McCauley, Vice Chairman	Sharon McCormick
Bob Borochoff	Roselyn "Rosie" Morris
Debbie Scanlon	Vince Puente

**Finance Commission Members Absent:**

Hector Cerna	Laura Warren	Dr. Robin Armstrong
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Commissioner Charles G. Cooper announced there was a quorum with eight (8) members present. *(1:13 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. Finance Commission Matters</b>		
1. Review and Approval of the Minutes of the April 22, 2022 Finance Commission Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:27 start of discussion
3. Consent Agenda – Item A1, A7, B3, and D2 – D4	Debbie Scanlon made a motion to Approve Consent Agenda item A1, A7, B3, and D2 – D4. Bob Borochoff seconded and the motion passed.	3:13 start of discussion  3:34 Vote
4. Finance Commission Operations	No Action Required.	4:01 start of discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2022 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's 2022 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.	4:15 start of discussion  4:28 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2022 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's 2022 Annual Internal Audit Report Prepared and Presented by Garza/Gonzalez and Associates passed.	4:42 start of discussion  4:53 Vote
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2022 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's 2022 Annual Internal Audit Report Prepared and Presented by Garza/Gonzalez and Associates passed	5:08 start of discussion  5:19 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund	Coming upon Recommendation from the Audit Committee, no second is required and the motion to recommend that the Finance Commission adopt a modification to the TFE Grant Administration of Policy Manual to add a new Subsection F to Section I that would increase the maximum grant award not to exceed \$45,000 for one-year period and \$90,000 for a two-year period passed.	5:35 start of discussion  5:53 Vote
6. Strategic Planning Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023-2027 Strategic Plans  1. Department of Savings and Mortgage Lending 2. Texas Department of Banking 3. Office of Consumer Credit Commissioner	Vince Puente made a motion to Approve the Department of Savings and Mortgage Lending's 2023-2027 Strategic Plan. Sharon McCormick seconded and the motion passed.  Bob Borochoff made a motion to Approve the Texas Department of Banking's 2023-2027 Strategic Plan. Will Lucas seconded and the motion passed.  Cliff McCauley made a motion to Approve to the Office of Consumer Credit Commissioner's 2023-2027 Strategic Plan. Sharon McCormick seconded and the motion passed.	6:21 start of discussion  11:52 Vote  12:15 Vote  12:35 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
B. Discussion of the Finance Commission of Texas 2023-2027 Strategic Plan	No Action Required.	13:04 start of discussion
7. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 8, Chapter 153, Concerning Home Equity Lending	<b>On Consent Agenda – Item A7</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 7 TAC, §5.107, Concerning Employee Leave Pools	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of New 7 TAC, §5.107, Concerning Employee Leave Pools. Will Lucas seconded and the motion passed.	15:44 start of discussion  19:13 Vote
9. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	Deferred to Executive Session – no vote taken.	n/a
10. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	Deferred to Executive Session – no vote taken.	n/a
11. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-Client Privileged Communications from our Attorneys, including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers, and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation	Deferred to Executive Session – no vote taken.	n/a
12. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code	Deferred to Executive Session – no vote taken.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>B. 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; and e) Legislative Activities	No Action Required.	19:51 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of New Rules and Repeals in 7 TAC, Part 4, Chapter 51, Concerning Charter Applications, Resulting from Rule Review	Sharon McCormick made a motion to Approve the Adoption of New Rules and Repeals in 7 TAC, Part 4, Chapter 51, Concerning Charter Applications, Resulting from Rule Review. Will Lucas seconded and the motion passed.	39:07 start of discussion  40:30 Vote
3. Discussion of and Possible Vote to Take Action on the Adoption of New Rules and Repeals in 7 TAC, Part 4, Chapter 52, Concerning Department Administration, Resulting from Rule Review	<b>On Consent Agenda – Item B3</b> This item approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>C. Texas Department of Banking</b>		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	41:08 start of discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 3, Concerning State Bank Regulation, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 1, Chapter 3, Concerning State Bank Regulation, Resulting from Rule Review. Sharon McCormick seconded and the motion passed.	1:10:01 start of discussion  1:18:45 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, §17.3, Concerning Sale or Lease Agreements with Trust Company Insiders	Sharon McCormick made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, §17.3, Concerning Sale or Lease Agreements with Trust Company Insiders. Roselyn Morris seconded and the motion passed.	1:19:32 start of discussion  1:20:27 vote
4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
<b>D. 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.	1:21:06 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner	<b>On Consent Agenda – Item D2</b> 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 82, Concerning Administration	<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 Readoption of 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops, Resulting from Rule Review	<b>On Consent Agenda – Item D4</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, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops. Cliff McCauley seconded and the motion passed.	1:42:44 start of discussion  1:47:25 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 281<sup>st</sup> Judicial District Court of Harris County, Texas</i>	No Action Required.	n/a

Chairman Phillip Holt called for an Executive Session at 11:18 a.m. (1:48:10 on the audio file). The open meeting resumed at 11:48 a.m. (1:49:10 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>Executive Session</b>		
10. 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 Action Taken	n/a
11. Discussion of 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 Action Taken.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 11:49 p.m. (1:49:32 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