

MINUTES OF THE FINANCE COMMISSION MEETING Friday, October 28, 2022

The Finance Commission of Texas convened at 9:40 a.m., on October 28, 2022, with the following members present:

Finance Commission Members in Attendance:

Phillip Holt, Chairman	Sharon McCormick
George "Cliff" McCauley, Vice Chairman	Roselyn "Rosie" Morris
Bob Borochoff	Vince Puente
Hector Cerna	Debbie Scanlon
G. Martin Green	Laura Warren
Will Lucas	

Commissioner Charles G. Cooper announced there was a quorum with 11 members present. *(0:48 on the audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the August 19, 2022, Finance Committee Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:08 start of discussion
3. Consent Agenda – Items A1, B2-B5, C2, and D2-D4	Debbie Scanlon made a motion to Approve Consent Agenda items A1, B2-B5, C2, and D2-D4. Will Lucas seconded, and the motion passed.	1:42 start of discussion 2:04 Vote
4. Finance Commission Operations	No Action Required.	2:32 start of discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2022 Fourth Quarter Investment Officer Reports	Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 Fourth Quarter Investment Officer Reports passed.	53:50 start of discussion
1. Texas Department of Banking		54:01 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 Take Action on the Agencies' 2022 Fourth Quarter Financial Statements</p> <ol style="list-style-type: none"> 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending 	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 Fourth Quarter Financial Statements passed.</p>	<p>54:14 start of discussion</p> <p>54:22 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2022 Post Payment Audit Report as Prepared by the Texas Comptroller of Public Accounts</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's 2022 Post Payment Audit Report as Prepared by the Texas Comptroller of Public Accounts passed.</p>	<p>54:33 start of discussion</p> <p>54:44 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>54:56 start of discussion</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's Mortgage Grant Fund Administration Manual Pursuant to 7 TAC, Part 4, §51.402(c), Governing Administration of the Mortgage Grant Fund created under Finance Code, Chapter 156, Subchapter G</p>	<p>Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Mortgage Grant Fund Administration Manual Pursuant to 7 TAC, Part 4, §51.402(c), Governing Administration of the Mortgage Grant Fund created under Finance Code, Chapter 156, Subchapter G passed.</p>	<p>55:06 start of discussion</p> <p>55:24 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>55:48 start of discussion</p>
<p>7. Presentation on the Condition of the Texas State Banking System</p>	<p>No Action Required.</p>	<p>3:29 start of discussion</p>

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<p>8. Discussion of and Possible Vote to Take Action on the Accomplishment Reports for Fiscal Year 2022 for the Commissioners of the Texas Department of Banking, the Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending</p>	<p>Laura Warren made a motion to Approve the Accomplishment Report for Fiscal Year 2022 for the Commissioner of the Texas Department of Banking. Hector Cerna seconded, and the motion passed.</p> <p>Will Lucas made a motion to Approve the Accomplishment Report for Fiscal Year 2022 for the Commissioner of the Office of Consumer Credit Commissioner. Debbie Scanlon seconded, and the motion passed.</p> <p>Martin Green made a motion to Approve the Accomplishment Report for Fiscal Year 2022 for the Commissioner of the Department of Savings and Mortgage Lending. Laura Warren seconded, and the motion passed.</p>	<p>57:26 start of discussion</p> <p>57:30 Vote</p> <p>57:49 Vote</p> <p>58:11 Vote</p>
<p>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</p>	<p>No Discussion</p>	<p>n/a</p>
<p>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</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>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</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>12. 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 §§ 551.076 and 551.089, Texas Government Code</p>	<p>No Discussion.</p>	<p>n/a</p>

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B. Texas Department of Banking		
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.	58:42 start of discussion
2. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 1, Chapter 5, Concerning Administration of Finance Agencies, Resulting from Rule Review	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 Readoption of 7 TAC, Part 2, Chapter 11, Concerning Texas Department of Banking, Miscellaneous, 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 7 TAC, Part 2, Chapter 26, Concerning Perpetual Care Cemeteries, Resulting from Rule Review	On Consent Agenda – Item B4 This item approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 2, Chapter 27, Concerning Applications, Resulting from Rule Review	On Consent Agenda – Item B5 This item approved on the Consent Agenda.	n/a
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 26, Concerning Perpetual Care Cemeteries, Resulting from Rule Review	Vince Puente made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 2, Chapter 26, Concerning Perpetual Care Cemeteries, Resulting from Rule Review. Sharon McCormick seconded, and the motion passed.	1:22:42 start of discussion 1:24:31 Vote
7. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a
C. 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; f) Legislative Activities	No Action Required.	1:25:11 start of discussion

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2. Discussion of and Possible Vote to Take Action on the Readoption of TAC, Part 5, Chapter 90, Concerning 342, Plain Language Contract Provisions, Resulting from Rule Review	On Consent Agenda – Item C2 This item approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 90, Concerning Chapter 342, Plain Language Contract Provisions, Resulting in Rule Review	Rosie Morris made a motion to Approve the Proposal and Publication for Comment of Amendments to 7 TAC, Part 5, Chapter 90, Concerning Chapter 342, Plain Language Contract Provisions, Resulting in Rule Review. Laura Warren seconded, and the motion passed.	1:43:48 start of discussion 1:46:49 Vote
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. 01-22-00712-CV</i> , in the First Court of Appeals, Houston, Texas	No Discussion.	n/a
D. 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; e) Legislative Activities	No Action Required.	1:47:23 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Repeals in 7 TAC, Part 4, Chapter 76, Concerning Miscellaneous, Resulting from Rule Review	On Consent Agenda – Item D2 This item approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of Repeals in 7 TAC, Part 4, Chapter 77, Concerning Loans, Investments, Savings, and Deposits, Resulting from Rule Review	On Consent Agenda – Item D3 This item approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 4, Chapter 79, §79.4, Concerning Bond Requirement	On Consent Agenda – Item D4 This item approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Adoption of New Rules and Repeals in 7 TAC, Part 4, Chapter 75, Concerning Applications, Resulting from Rule Review	Martin Green made a motion to Approve the Adoption of New Rules and Repeals in 7 TAC, Part 4, Chapter 75, Concerning Applications, Resulting from Rule Review. Sharon McCormick seconded, and the motion passed.	1:59:14 start of discussion 2:00:54 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

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 11:42 a.m. (2:02:36 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