

MINUTES OF THE FINANCE COMMISSION MEETING Friday, August 19, 2022

The Finance Commission of Texas convened at 9:59 a.m., on Friday, August 19, 2022, with the following members present:

Finance Commission Members in Attendance:

Phillip Holt, Chairman
George "Cliff" McCauley, Vice Chairman
Hector Cerna
G. Martin Green
Will Lucas

Sharon McCormick
Vince Puente
Debbie Scanlon
Laura Warren

Finance Commission Members Absent:

Roselyn "Rosie" Morris

Bob Borochoff

Commissioner Charles G. Cooper announced there was a quorum with nine (9) members present. *(2:08 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the June 24, 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.	2:18 start of discussion
3. Consent Agenda – Items A1, A8, B2, B3, C2, D2 and D3	Vince Puente made a motion to Approve Consent Agenda items A1, A8, B2, B3, C2, D2 and D3. Will Lucas seconded and the motion passed.	6:13 start of discussion 6:22 Vote
4. Finance Commission Operations	No Discussion.	n/a
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2022 Third Quarter Investment Officer Reports	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 Third Quarter Investment Officer Reports passed.	2:47 start of discussion
1. Office of Consumer Credit Commissioner		2:57
2. Department of Savings and Mortgage Lending		Vote
3. Texas Department of Banking		

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for:</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Readoption of the Investment Policies, as modified, for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking passed.</p>	<p>3:10 start of discussion</p> <p>3:23 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2022 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2022 Third Quarter Financial Statements passed.</p>	<p>3:38 start of discussion</p> <p>3:46 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2023 Operating Budgets</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's Fiscal Year 2023 Operating Budget passed.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Fiscal Year 2023 Operating Budget passed.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Fiscal Year 2023 Operating Budget passed.</p>	<p>3:58 start of discussion</p> <p>4:07 Vote</p> <p>4:42 Vote</p> <p>5:03 Vote</p>
<p>E. 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>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Activities of the Texas Financial Education Endowment Fund passed.</p>	<p>5:15 start of discussion</p> <p>5:22 Vote</p>
<p>6. Strategic Planning Committee Report</p>		
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Finance Commission of Texas 2023-2027 Strategic Plan</p>	<p>Coming upon Recommendation from the Strategic Planning Committee, no second is required and the motion to Approve the Finance Commission of Texas 2023-2027 Strategic Plan passed.</p>	<p>6:58 start of discussion</p> <p>9:23 Vote</p>

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<p>7. Discussion of and Possible Vote to Take Action on the Agency Priorities for Fiscal Year 2023 for the Commissioners of the Office Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking</p>	<p>Laura Warren made a motion to Approve the Agency Priorities for Fiscal Year 2023 for the Commissioners of the Office of Consumer Credit Commissioner. Sharon McCormick seconded and the motion passed.</p> <p>Laura Warren made a motion to Approve the Agency Priorities for Fiscal Year 2023 for the Department of Savings and Mortgage Lending. Martin Green seconded and the motion passed.</p> <p>Cliff McCauley made a motion to Approve the Agency Priorities for Fiscal Year 2023 for the Texas Department of Banking. Hector Cerna seconded and the motion passed.</p>	<p>9:43 start of discussion</p> <p>13:46 Vote</p> <p>14:10 Vote</p> <p>14:34 Vote</p>
<p>8. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC, Part 1, § 5.107, Concerning Employee Leave Pools</p>	<p>On Consent Agenda – Item A8 This item Approved on the Consent Agenda.</p>	<p>n/a</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>

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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	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.	15:08 start of discussion
2. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 5, Chapter 86, Concerning Retail Creditors, 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 Adoption of Amendments to 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops, 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 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; e) Legislative Activities	No Action Required.	36:06 start of discussion
2. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 4, Chapter 75, Concerning Applications, Chapter 76, Concerning Miscellaneous, and Chapter 77, Concerning Loans, Investments, Savings, and Deposits, Resulting from Rule Review	On Consent Agenda – Item C2 This item approved on the Consent Agenda.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of 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 New Rules and Repeals in 7 TAC, Part 4, Chapter 75, Concerning Applications, Resulting from Rule Review. Vince Puente seconded and the motion passed.	1:04:17 start of discussion 1:09:39 Vote
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New Rules and Repeals in 7 TAC, Part 4, Chapter 76, Concerning Miscellaneous, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of New Rules and Repeals in 7 TAC, Part 4, Chapter 76, Concerning Miscellaneous, Resulting from Rule Review. Sharon McCormick seconded and the motion passed.	1:10:07 start of discussion 1:10:42 Vote
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New Rules and Repeals in 7 TAC, Part 4, Chapter 77, Concerning Loans, Investments, Savings and Deposits, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of New Rules and Repeals in 7 TAC, Part 4, Chapter 77, Concerning Loans, Investments, Savings and Deposits, Resulting from Rule Review. Debbie Scanlon seconded and the motion passed.	1:11:08 start of discussion 1:11:45 Vote
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 79, §79.4, Concerning Bond Requirement	Will Lucas made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 79, §79.4, Concerning Bond Requirement. Laura Warren seconded and the motion passed.	1:12:10 start of discussion 1:16:38 Vote
7. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a
D. 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; and g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	1:18:09 start of discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 1, Chapter 3, Concerning State Bank Regulation, Resulting from Rule Review	On Consent Agenda – item D2 This item approved on the Consent Agenda.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments to 7 TAC, Part 2, §17.3, Concerning Sale or Lease Agreements with Trust Company Insiders	On Consent Agenda – item D3 This item approved on the Consent Agenda.	n/a
4. 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 11:34 a.m. (1:35:32 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