

FINANCE COMMISSION OF TEXAS AUDIT COMMITTEE MEETING

Friday, October 27, 2023
8:30 a.m.

Finance Commission Building
William F. Aldridge Hearing Room
2601 North Lamar Boulevard
Austin, Texas 78705

Public comment on any agenda item or issue under the jurisdiction of the Finance Commission of Texas agencies is allowed. Finance Commission members who are not members of the Audit Committee may be present at this committee meeting creating a quorum of the Finance Commission.

- A. Review and Approval of the Minutes of the August 18, 2023 Audit Committee Meeting
- B. Review of Agencies' Activities
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Fourth Quarter Investment Officer Reports
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Fourth Quarter Financial Statements
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- E. 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
- F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund
- G. Discussion of the Activities of the Mortgage Grant Fund
- H. 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
- I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Selection of an Internal Auditor for the Finance Commission Agencies for Fiscal Year 2024

NOTE: The Audit Committee of the Finance Commission of Texas may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

Meeting Accessibility: Under the Americans with Disabilities Act, the Finance Commission of Texas will accommodate special needs. Those requesting auxiliary aids or services should notify the Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

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**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, August 18, 2023**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on August 18, 2023, with the following members present:

Audit Committee Members in Attendance:

Phillip Holt, Acting Chair, (Chairman, Finance Commission)
Hector Cerna
Cliff McCauley (Vice Chair, Finance Commission)

Audit Committee Members Absent:

Roselyn "Rosie" Morris

Chairman Holt announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. (1:06 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 16, 2023 Audit Committee Meeting	Cliff McCauley made a motion to Approve the Minutes of the June 16, 2023 Audit Committee Meeting. Hector Cerna seconded, and the motion passed.	1:19 Start of Discussion 1:33 Vote
B. Review of Agencies' Activities 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	No Action Required.	1:51 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2023 Third Quarter Investment Officer Reports. Cliff McCauley seconded, and the motion passed.	4:16 Start of Discussion 7:08 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for: 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking. Hector Cerna seconded, and the motion passed.	7:28 Start of Discussion 13:35 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Third Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2023 Third Quarter Financial Statements. Cliff McCauley seconded, and the motion passed.	13:58 Start of Discussion 20:55 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2024 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>Cliff McCauley made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's Fiscal Year 2024 Operating Budget. Hector Cerna seconded, and the motion passed.</p> <p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's Fiscal Year 2024 Operating Budget. Cliff McCauley seconded, and the motion passed.</p> <p>Cliff McCauley made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2024 Operating Budget. Hector Cerna seconded, and the motion passed.</p>	<p>21:15 Start of Discussion</p> <p>1:04:25 Vote</p> <p>1:04:43 Vote</p> <p>1:05:04 Vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Cliff McCauley seconded, and the motion passed.</p>	<p>1:05:27 Start of Discussion</p> <p>1:16:39 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Cliff McCauley made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded, and the motion passed.</p>	<p>1:11:54 Start of Discussion</p> <p>1:17:04 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2023 Procurement/ Contract Management/HUB Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Cliff McCauley made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2023 Procurement/ Contract Management/HUB Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded, and the motion passed.</p>	<p>1:17:37 Start of Discussion</p> <p>1:21:38 Vote</p>
<p>J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Cliff McCauley seconded, and the motion passed.</p>	<p>1:17:37 Start of Discussion</p> <p>1:22:11 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
K. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund	No Action Required	1:22:33 Start of Discussion
L. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo. Hector Cerna seconded, and the motion passed.	1:23:57 Start of Discussion 1:25:09 Vote
M. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	1:25:33 Start of Discussion
N. 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 55.089, Texas Government Code	Deferred to Executive Session. No Vote Required.	n/a

Chairman Holt called for an Executive Session at 9:56 a.m. (1:26:07 on the audio file). The open meeting resumed at 10:42 a.m. (1:27:27 on the audio file)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Holt adjourned the meeting at 10:42 a.m. (1:27:36 on the audio file).

Phillip Holt, Interim Chairman, Audit Committee
 Finance Commission of Texas

Charles G. Cooper, Executive Director
 Finance Commission of Texas

Ruth Wright, Executive Assistant
 Finance Commission of Texas

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**Texas Office of Consumer Credit Commissioner
Audit Activities Report
As of August 31, 2023**

Auditor: <i>Garza/Gonzalez</i>		Audit Report Date: <i>July 28, 2023</i>	
Audit Area: <i>Internal Audit – Payroll & Human Resources Follow-up of Prior Year Audits</i>			
Findings:		Status Update:	
<i>A. Ensure that state applications are not only completed in their entirety and signed.</i>		<i>Complete.</i>	
<i>B. Evaluate and determine if re-hires are required to complete new hire forms or if previous forms can be relied on.</i>		<i>Complete.</i>	
<i>C. Review each employee’s most recent PAF and ensure all documentation is in alignment with the SAO job descriptions & CAPPs.</i>		<i>Complete.</i>	
<i>D. The OCCC should ensure that time reflected in CAPPs is approved by the employee’s supervisor or can be bypassed, prior to the employee being paid.</i>		<i>Complete.</i>	
Auditor: <i>Dept of Information Resources – AT&T Consulting</i>		Audit Report Date: <i>March 6, 2023</i>	
Audit Area: <i>Web Application Vulnerability Scan & Controlled Penetration Test</i>			
Findings: <i>Results to be Discussed in Executive Session.</i>		Status Update: <i>Complete.</i>	
Auditor: <i>Department of Public Safety</i>		Audit Report Date: <i>May 18, 2022</i>	
Audit Area: <i>Non-Criminal Justice Audit – Licensing</i>			
Findings: <i>Evaluate IT Access. IT should be fingerprinted or access should be limited.</i>		Status Update: <i>Pending. Coordinating with DPS and awaiting clarification.</i>	

Department of Savings and Mortgage Lending

Audit Activities Report as of September 30, 2023

Auditor: *Garza/Gonzales*

Audit Report Date: *June 9, 2023*

Audit Area: *Mortgage Examinations*

Findings:

Non-compliance with policies and procedures regarding adequate workpapers and sample size selection.

Status Update:

In progress. Recommended training provided in June 2023. Additional training is scheduled for October 2023.

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Texas Department of Banking Quarterly Investment Report
June 1, 2023 to August 31, 2023

Seized Prepaid Funeral Funds Held in a Financial Institution	Book Value at May 31, 2023	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at August 31, 2023	Financial Institution	Investment Type	Maturity Date	Interest Rate
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			N/A	N/A
Total Seized Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				

Notes:

/s/ Jesse Saucillo
Investment Officer

9/29/2023
Date

/s/ Sami Chadli
Investment Officer

10/2/2023
Date

**Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
June 1, 2023 to August 31, 2023**

<u>Book Value at May 31, 2023</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>(1) Other Deduction(s)</u>	<u>(2) Other Addition(s)</u>	<u>Book/Market Value at August 31, 2023</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,442,141.79	\$16,349.15	\$460.84	\$18,500.00	\$4,430.00	\$1,443,960.10	--	--	\$856.05

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$711,886.82	9/1/2023	5.25%	--
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2023	5.00%	\$427.39
Texas Bank Financial, Weatherford, Texas (CD)	\$246,992.73	12/24/2023	4.40%	\$208.42
American Bank of Commerce, Wolfforth, Texas (CD)	\$245,080.55	11/23/2023	4.10%	\$220.24
Subtotal	\$1,443,960.10			

(1) Other deduction includes \$18,500.00 in consumer restitution paid to two consumers related to Pierce Boone Funeral Home.

(2) Other additions include: (a) \$1,380.00 restitution received from Mr. Kevin Keeney related to Howell-Doran Funeral Home; and (b) \$3,050.00 restitution received from Ms. Karen Randle related to Pierce Boone Funeral Home.

* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements. The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo Investment Officer	9/29/2023 Date
/s/ Sami Chadli Investment Officer	10/2/2023 Date

**Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
June 1, 2023 to August 31, 2023**

<u>Book Value at May 31, 2023</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>Other Deduction(s)</u>	<u>Other Addition(s)</u>	<u>Book/Market Value at August 31, 2023</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$981,495.55	\$12,767.84	\$ 86.19			\$994,177.20	--	--	\$542.36

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$749,177.20	9/1/2023	5.25%	--
Spring Hill State Bank, Longview, Texas (CD)	<u>\$245,000.00</u>	5/12/2024	5.05%	\$542.36
Subtotal	\$994,177.20			

* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo
Investment Officer

9/29/2023
Date

/s/ Sami Chadli
Investment Officer

10/2/2023
Date

Office of Consumer Credit Commissioner
Fiscal Year 2023 - 4th Quarter

Texas Financial Education Endowment Fund #3071

	Beginning Balance at 5/31/2023	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 08/31/2023	Current Interest Rate
Cash	\$ 986,073.35	\$ 7,600.00	\$ 12,866.04	\$ -	\$ (15,060.00)	\$ (129.63)	\$ 991,349.76	5.25%
Invested Portfolio	Beginning Balance at 05/31/2023	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 08/31/2023	
Cash in Bank	\$ 18,257.82	\$ -	\$ (18,257.82)	\$ -	\$ -	\$ -	\$ -	
Investments - STIF	2,276,637.36	-	177,219.14	-	-	-	2,453,856.50	
Investments - Short Term	-	-	-	-	-	-	-	
Interest & Dividends Receivable	9,683.64	-	1,128.63	-	-	-	10,812.27	
Trade Receivables	9,372.73	-	16,343.40	-	-	-	25,716.13	
Investments - Equities	189,186.85	-	15,040.69	-	-	-	204,227.54	
Investments - Alternatives	7,009,546.67	-	52,513.93	-	-	-	7,062,060.60	
Investments - Fixed Income	136,189.22	-	7,404.02	-	-	-	143,593.24	
Investments - Futures	-	-	-	-	-	-	-	
Investments - SWAPS, at Fair Value	(6,698.94)	-	16,149.19	-	-	-	9,450.25	
Total Assets-Invested Portfolio	\$ 9,642,175.34	\$ -	\$ 267,541.19	\$ -	\$ -	\$ -	\$ 9,909,716.53	
Liabilities								
Accounts Payable	\$ -	-	\$ (3,228.12)	\$ -	\$ -	\$ -	\$ (3,228.12)	
Interest Payable	(16,526.93)	-	(931.11)	-	-	-	(17,458.04)	
Trade Payables	-	-	(11,275.03)	-	-	-	(11,275.03)	
Futures Contracts, at Fair Value	-	-	-	-	-	-	-	
Swaps, at Fair Value	-	-	-	-	-	-	-	
Total Liabilities	\$ (16,526.93)	\$ -	\$ (15,434.26)	\$ -	\$ -	\$ -	\$ (31,961.19)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 9,625,648.41						\$ 9,877,755.34	
Total Endowment Funds	\$ 10,611,721.76						\$ 10,869,105.10	

Note: These funds are invested with the Texas Treasury Safekeeping Trust Company.
The above investments are in compliance with the agency's investment policy.

* Reflects redistributed amount among the asset classes in addition to market value adjustment.

Prepared By: /s/ William Collard

Date: 10/04/2023

Investment Officer: /s/ Mirand Diamond

Date: 10/05/2023

**Office of Consumer Credit Commissioner
Fiscal Year 2023 - 4th Quarter**

Residential Mortgage Loan Originator Recovery Trust Fund #3008

Beginning Balance at 05/31/2023	Additions / *(Deductions)	Interest Paid	Paid Bank Fees	Ending Balance at 08/31/2023	Current Interest Rate
\$ 194,815.99	\$ 3,275.00	\$ 2,550.45	\$ (49.69)	\$ 200,591.75	5.25%

Prepared By: /s/ William Collard

Date: 10/04/2023

Investment Officer: /s/ Mirand Diamond

Date: 10/05/2023

Note: These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.
The above investments are in compliance with the agency's investment policy.

Department of Savings and Mortgage Lending

Investment Officer Report as of August 31, 2023

Recovery Fund

	Beginning Balance 5/1/2023	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 8/31/2023
Cash & Cash Equivalents	\$4,934,345.89	57,668.38	57,951.64	(468.67)	\$5,049,497.24
Mortgage Grant Program Balance (12/31/2021)					935,489.78
Mortgage Grant Program Balance (12/31/2022)					356,479.17
Recovery Balance					\$3,757,528.29

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	9/1/2023	5.32%	\$4,549,497.24	\$663.47
Horizon Bank SSB	CD - 12 months	2/7/2024	4.06%	250,000.00	902.22
Dalhart Federal Savings	CD - 24 months	10/18/2024	2.50%	250,000.00	5,503.47
				\$5,049,497.24	\$7,069.16

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Anis Golshan

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 9/18/2023

Date: 9/18/2023

Department of Savings and Mortgage Lending

Investment Officer Report as of August 31, 2023

Mortgage Grant Fund

	Beginning Balance 5/1/2023	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 8/31/2023
Cash & Cash Equivalents	\$280,714.64	(\$122,186.62)	\$3,387.59	(\$58.33)	\$161,857.28

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	9/1/2023	5.32%	\$161,857.28	\$23.60
				\$161,857.28	\$23.60

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Anis Golshan

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 9/18/2023

Date: 9/18/2023

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**Texas Department of Banking
Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2023**

	FY 2022 ACTUAL	FY 2023 BUDGET	QUARTER PERFORMANCE				FY 2023 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Bank & Trust Regulation	\$23,622,042	\$30,345,091	\$4,389,111	\$469,660	\$3,919,451	10.7%	\$30,345,091	\$26,191,521	\$4,153,570	86.3%
Penalties - Bank & Trust Regulation	250,000	0	0	0	0	0.0%	0	0	0	0.0%
Non-Depository Supervision	2,609,768	3,237,400	126,500	64,374	\$62,126	50.9%	3,237,400	3,093,981	143,419	95.6%
Penalties - Non-Depository Supervision	716,705	285,000	21,000	128,940	(107,940)	614.0%	285,000	714,249	(429,249)	250.6%
Miscellaneous Revenues	91,505	84,200	21,050	234,696	(213,646)	1114.9%	84,200	811,514	(727,314)	963.8%
TOTAL REVENUES	\$27,290,019	\$33,951,691	\$4,557,661	\$897,669	\$3,659,992	19.7%	\$33,951,691	\$30,811,266	\$3,140,426	90.8%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$18,330,063	\$21,650,654	\$6,186,972	\$5,212,381	\$974,591	84.2%	\$21,650,654	\$19,147,451	\$2,503,203	88.4%
Employee Benefits	5,152,387	6,101,007	1,668,141	1,392,300	275,841	83.5%	6,066,357	5,301,086	765,271	87.4%
Add'l Health/Retirement	253,643	314,468	86,563	69,519	17,044	80.3%	349,118	268,558	80,560	76.9%
Other Personnel Costs	520,138	596,388	374,615	282,880	91,735	75.5%	596,388	679,987	(83,599)	114.0%
Subtotal Personnel Costs	\$24,256,231	\$28,662,517	\$8,316,292	\$6,957,081	\$1,359,211	83.7%	\$28,662,517	\$25,397,083	\$3,265,435	88.6%
Travel										
In-State	\$475,391	\$1,246,150	\$371,218	\$405,769	(\$34,551)	109.3%	\$1,246,150	\$1,106,923	\$139,227	88.8%
Out-of-State	95,374	675,895	295,498	114,082	181,416	38.6%	675,895	385,574	290,321	57.0%
Subtotal Travel	\$570,766	\$1,922,045	\$666,716	\$519,851	\$146,864	78.0%	\$1,922,045	\$1,492,497	\$429,548	77.7%
Operating Costs										
Professional Fees	\$275,678	\$669,070	\$437,340	\$133,025	\$304,315	30.4%	\$669,070	\$338,359	\$330,711	50.6%
Consumables	48,668	38,000	28,884	22,367	6,517	77.4%	75,994	79,570	(\$3,576)	104.7%
Office Utilities	32,012	33,870	1,874	3,850	(1,976)	205.5%	33,870	34,247	(\$377)	101.1%
Rent - Building/Space	410,994	471,735	107,995	80,279	27,716	74.3%	471,735	430,846	\$40,889	91.3%
Rent - Equipment/Other	24,216	28,784	9,696	6,019	3,677	62.1%	28,784	25,705	\$3,079	89.3%
Communications	239,885	270,841	76,573	72,181	4,392	94.3%	273,941	266,617	\$7,324	97.3%
Information Technology	538,893	734,225	294,550	181,241	113,309	61.5%	734,225	591,947	\$142,278	80.6%
Employee Training	216,573	348,581	218,021	95,880	122,142	44.0%	348,581	194,505	\$154,076	55.8%
Misc. Operating Costs	441,992	772,023	305,417	218,348	87,069	71.5%	730,929	497,393	233,536	68.0%
Subtotal Operating Costs	\$2,228,911	\$3,367,129	\$1,480,350	\$813,190	\$667,160	54.9%	\$3,367,129	\$2,459,190	\$907,939	73.0%
TOTAL EXPENDITURES	\$27,055,908	\$33,951,691	\$10,463,358	\$8,290,122	\$2,173,235	79.2%	\$33,951,691	\$29,348,770	\$4,602,921	86.4%
EXPENDITURES (OVER) / UNDER REVENUES	\$234,111	\$0	(\$5,905,696)	(\$7,392,453)	\$1,486,757		\$0	\$1,462,496	(\$1,462,496)	

Texas Department of Banking

Overview of Budget Variances for the Fourth Quarter of Fiscal Year 2023 - (Variances in excess of \$1,000 and 5% from budget are reported).

Bank & Trust Regulation – Actual revenues were less than budgeted due to the reduction in the fourth quarter bank assessments of approximately \$3.9 million. Year to date Bank & Trust Regulation revenue is at 86.3% of budget and was adequate to cover all direct and indirect costs of the Bank & Trust area.

Non-Depository Supervision – The variance for the quarter is related to no assessment collections due to the higher collection of penalties than were anticipated. Year to date Non-Depository Supervision revenue is at 95.6% of budget and was adequate to cover all direct and indirect costs of this area.

Penalties - Non-Depository Supervision – The variance is due to the higher than anticipated collected penalties primarily from unlicensed money services businesses.

Miscellaneous Revenue – The variance is due to a higher interest rate of return than budgeted.

Employee Compensation and Benefits – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of August 31, 2023 are listed below:

Administrative	15
Examiners	16

Other Personnel Costs – The positive variance is mainly due to budgeted retirement lump sum payments that did not materialize.

Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$173,289	\$61,226
Development and Training	204,024	43,132
Other Regulatory Activities	24,299	9,724
Non-Employee	4,157	0
Total	\$405,769	\$114,082

In-State Travel – The negative variance is mainly related to the new in-house financial examiner training program that was not included in the budget.

Out-of-State Travel – The positive variance is mainly due to training classes that were not attended in the fourth quarter as projected.

Professional Fees – The positive variance is due to: (1) lower expenditures than budgeted for investigator fees; (2) speaker fees for a conference that did not take place; (3) professional fees for IT related work that did not occur; and (4) fees for a State Auditor’s Office audit that did not materialize.

Consumables – The positive variance is due to budgeted expenditures that did not materialize as based on history.

Office Utilities – The negative variance is due to higher summer temperatures than usual. Year to date expenditures are at 101.1% of budget.

Rent – Building/Space – The positive variance is related to space rental for townhall meetings, training, and a conference that did not occur.

Rent – Equipment/Other – The positive variance is related to: (1) space rental for townhall meetings, training, and a conference that did not occur; and (2) Headquarters building management equipment rental that was not needed.

Communications – The positive variance is due to lower expenditures than anticipated as based on historical trends.

Information Technology – The positive variance is due to lower than anticipated expenditures for licenses, network equipment, and computer supplies and accessories.

Employee Training – The positive variance is due to classes that were cancelled, delayed, or not attended as scheduled.

Misc. Operating Costs – The positive variance is mainly due to lower than anticipated deferred maintenance expenditures and the State Office of Risk Management’s assessment that was lower than anticipated.

TEXAS DEPARTMENT OF BANKING
Liquidity Report
For the Period Ending August 31, 2023

	Actual
Cash at Beginning of Period	\$26,143,997
Revenues Over (Under) Expenditures	(7,392,453)
Increase (Decrease) in Payables/Encumbrances	669,309
(Increase) Decrease in Receivables	<u>(55,352)</u>
Cash at End of Period	<u><u>\$19,365,501</u></u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$0
Long-term facilities planning	9,627,529
Payables (net of receivables)	2,710,495
Lump Sums for Retirements	624,891
Program Funds	0
Other	<u>0</u>
Total Reserved Cash Balance	<u><u>\$12,962,915</u></u>
Unreserved Cash Balance:	
Future Operations	<u>6,402,587</u>
Total Unreserved Cash Balance	<u><u>\$6,402,587</u></u>
Total Cash Balance	<u><u>\$19,365,501</u></u>
Unreserved Cash/FY2024 Monthly Budget	2.09 months

Office of Consumer Credit Commissioner
Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2023

	FY 2022 ACTUAL	FY 2023 BUDGET	QUARTER PERFORMANCE				FY 2023 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Industry										
Consumer Lending Industry	\$ 1,672,949	\$ 2,291,531	\$ 27,862	\$ 51,175	\$ (23,312)	183.7%	\$ 2,291,531	\$ 1,906,386	\$ 385,145	83.2%
Credit Access Industry	818,210	746,351	26,949	16,100	10,849	59.7%	746,351	782,040	(35,689)	104.8%
MVSF Industry	3,415,651	4,355,540	300,175	164,985	135,190	55.0%	4,355,540	4,173,413	182,127	95.8%
Pawn	471,353	737,403	534,139	433,837	100,302	81.2%	737,403	688,941	48,462	93.4%
Registered Entities	369,390	330,485	50,063	13,065	36,998	26.1%	330,485	332,080	(1,595)	100.5%
Penalties	114,600	-	0	12,900	(12,900)	0.0%	0	54,131	(54,131)	0.0%
Miscellaneous Revenue	65,474	15,000	2,320	165,504	(163,184)	7135.3%	15,000	590,162	(575,162)	3934.4%
TOTAL REVENUES	\$ 6,927,627	\$ 8,476,310	\$ 941,508	\$ 857,566	\$ 83,942	91.1%	\$ 8,476,310	\$ 8,527,155	\$ (50,845)	100.6%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 4,435,662	\$ 5,045,938	\$ 1,261,485	\$ 1,261,910	\$ (426)	100.0%	\$ 5,045,938	\$ 4,766,803	\$ 279,135	94.5%
Employee Benefits	1,524,245	1,805,828	451,457	409,954	41,503	90.8%	1,805,828	1,574,293	231,535	87.2%
Add'l Health/Retirement	68,443	74,950	18,738	17,906	831	95.6%	74,950	71,261	3,689	95.1%
Other Personnel Costs	120,175	121,194	30,299	62,326	(32,028)	205.7%	121,194	116,678	4,516	96.3%
Subtotal Personnel Costs	\$ 6,148,526	\$ 7,047,910	\$ 1,761,978	\$ 1,752,097	\$ 9,880	99.4%	\$ 7,047,910	\$ 6,529,035	\$ 518,875	92.6%
Travel										
In-State Travel	\$ 466,732	\$ 567,000	\$ 141,750	\$ 130,576	\$ 11,174	92.1%	\$ 567,000	\$ 516,923	\$ 50,077	91.2%
Out of State - Travel	0	15,000	3,750	(426)	4,176	-11.4%	15,000	21,361	(6,361)	142.4%
Subtotal Travel	\$ 466,732	\$ 582,000	\$ 145,500	\$ 130,150	\$ 15,350	89.5%	\$ 582,000	\$ 538,284	\$ 43,716	92.5%
Operating Costs										
Professional Services & Fees	\$ 91,283	\$ 90,500	\$ 22,625	\$ 43,156	\$ (20,531)	190.7%	\$ 90,500	\$ 68,617	\$ 21,883	75.8%
Consumables	7,083	7,500	1,875	766	1,109	40.9%	7,500	3,748	3,752	50.0%
Office Utilities	16,616	17,250	4,313	6,493	(2,180)	150.6%	17,250	17,738	(488)	102.8%
Rent - Building/Space	28,802	27,600	6,900	4,548	2,352	65.9%	27,600	27,261	339	98.8%
Rent - Equipment/Other	2,841	3,100	775	675	100	87.1%	3,100	2,611	489	84.2%
Communications	78,834	79,830	19,958	17,908	2,049	89.7%	79,830	75,387	4,443	94.4%
Information Technology	409,708	488,969	122,242	102,231	20,011	83.6%	488,969	356,323	132,646	72.9%
Employee Training	7,321	8,700	2,175	614	1,561	28.2%	8,700	11,723	(3,023)	134.7%
Misc. Operating Costs	291,666	277,240	69,310	48,454	20,856	69.9%	277,240	226,774	50,466	81.8%
Subtotal Operating Costs	\$ 934,154	\$ 1,000,689	\$ 250,172	\$ 224,846	\$ 25,327	89.9%	\$ 1,000,689	\$ 790,183	\$ 210,506	79.0%
TOTAL EXPENDITURES	\$ 7,549,412	\$ 8,630,599	\$ 2,157,650	\$ 2,107,093	\$ 50,557	97.7%	\$ 8,630,599	\$ 7,857,502	\$ 773,097	91.0%
EXPENDITURES (OVER) / UNDER REVENUES	\$ (621,785)	\$ (154,289)	\$ (1,216,142)	\$ (1,249,527)	\$ 33,385		\$ (154,289)	\$ 669,653	\$ (823,942)	

**Office of Consumer Credit Commissioner
Budget Variance Analysis
For the Quarter Ending August 31, 2023**

Revenues: Overall revenues are 101% of the year-to-date budget.

Consumer Lending- The variance (-17%) is due to a lower renewal rate for regulated lenders than expected and a higher discount for renewal than budgeted. It was anticipated that 93% of regulated lenders would renew based on historical trends and 85% completed renewal.

Pawn- The variance (-7%) is due to a higher discount rate for pawn shops than what was budgeted. A discount rate of 20% was planned during the budgeting process and a discount of 30% was give to active pawn shops.

Misc Revenue- This category is greater than budgeted due to significantly greater interest earned than anticipated. Interest revenue projections were based on historical trends and current interest rates have resulted in increased revenue.

Expenditures: Overall expenditures are 91% of the budget.

Personnel- Expenditures are ~7% under budget primarily due to delays in filling vacant positions.

Travel- Travel expenditures are 7% under budget due to examiner vacancies and some reduced examination travel.

Expenditure Type	In-State	Out of State	Total
	FY23	FY23	
Regulatory Supervision	422,045	4,929	426,975
Development & Training	91,478	16,431	107,909
Other Reg Activities	3,400	-	3,400
Total	516,923	21,361	538,284

Professional fees- This category is ~24% under budget due to lower than anticipated Legal and Other Professional Services for the year.

Information Technology – This category is ~27% under budget due to the timing of and change of scope in IT projects.

Miscellaneous Operating Costs – This category is ~19% under budget due to lower fees for receiving electronic payments than anticipated. Temporary employment agencies were not utilized as forecasted. Finally, the SWCAP reimbursement payment was significantly less than expected. The SWCAP reimbursement is always difficult to project with any precision.

**Office of Consumer Credit Commissioner
Liquidity Report
For the Quarter Ending August 31, 2023**

	Actual
Cash at Beginning of Period	\$ 14,044,982
Revenues Over (Under) Expenditures	\$ (1,249,527)
Increase (Decrease) in Payables/Encumbrances	\$ 35,085
(Increase) Decrease in Receivables	\$ 12,006
Other source of funds (transfer)	\$ -
Cash at End of Period	<u>\$ 12,842,546</u>
Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	\$ 9,548,581
Payables (net of receivables)	\$ 697,023
Lump sums for Retirements	\$ 290,704
Program Funds	\$ -
Other	\$ -
Total Reserved Cash Balance	<u>\$ 10,536,308</u>
Unreserved Cash Balance:	
Future Operations	\$ 2,306,238
Total Unreserved Cash Balance	<u>\$ 2,306,238</u>
Total Cash Balance	<u><u>\$ 12,842,546</u></u>
Unreserved Cash / FY 2024 Monthly Budget	3.2

Department of Savings and Mortgage Lending

**Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2023**

	FY 2022 ACTUAL	FY 2023 BUDGET	QUARTER PERFORMANCE				FY 2023 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Thrift Industry										
Assessments	\$ 3,921,495	\$ 4,076,434	\$ 983,359	\$ 1,190,419	\$ (207,060)	121.1%	\$ 4,076,434	\$ 4,881,660	\$ (805,226)	119.8%
Application Fees	7,750	16,000	7,500	21,000	(13,500)	280.0%	16,000	25,900	(9,900)	161.9%
Mortgage Industry										
Licensing Fees	3,351,309	4,707,550	453,475	277,170	176,305	61.1%	4,707,550	3,746,460	961,090	79.6%
Administrative Penalties	154,567	-	-	28,740	(28,740)	0.0%	-	117,392	(117,392)	0.0%
Misc. Revenues	54,383	105,000	30,000	167,739	(137,739)	559.1%	105,000	536,622	(431,622)	511.1%
TOTAL REVENUES	\$ 7,489,504	\$ 8,904,984	\$ 1,474,334	\$ 1,685,068	\$ (210,734)	114.3%	\$ 8,904,984	\$ 9,308,034	\$ (403,050)	104.5%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 4,986,018	\$ 5,858,020	\$ 1,617,755	\$ 1,358,926	\$ 258,829	84.0%	\$ 5,858,020	\$ 5,138,104	\$ 719,916	87.7%
Employee Benefits	1,475,368	1,734,627	455,178	414,835	40,343	91.1%	1,734,627	1,585,830	148,797	91.4%
Add'l Health/Retirement	64,658	81,661	21,627	18,899	2,728	87.4%	81,661	71,645	10,016	87.7%
Other Personnel Costs	130,222	105,481	20,600	62,416	(41,816)	303.0%	105,481	207,114	(101,633)	196.4%
Subtotal Personnel Costs	\$ 6,656,267	\$ 7,779,789	\$ 2,115,160	\$ 1,855,076	\$ 260,084	87.7%	\$ 7,779,789	\$ 7,002,692	\$ 777,097	90.0%
Travel										
In-State	\$ 51,775	\$ 108,000	\$ 24,000	\$ 41,339	\$ (17,339)	172.2%	\$ 108,000	\$ 111,634	\$ (3,634)	103.4%
Out-of-State	16,387	45,000	23,500	6,229	17,271	26.5%	45,000	16,397	28,603	36.4%
Subtotal Travel	\$ 68,162	\$ 153,000	\$ 47,500	\$ 47,568.06	\$ (68)	100.1%	\$ 153,000	\$ 128,031	\$ 24,969	83.7%
Operating Costs										
Professional Fees	\$ 45,169	\$ 120,844	\$ 66,300	\$ 41,410	\$ 24,890	62.5%	\$ 120,844	\$ 71,735	\$ 49,109	59.4%
Consumables	6,551	10,000	2,500	2,858	(358)	114.3%	10,000	6,472	3,528	64.7%
Office Utilities	13,486	14,059	3,950	5,324	(1,374)	134.8%	14,059	14,483	(424)	103.0%
Rent - Space & Equipment	7,138	10,700	250	45	205	18.0%	10,700	6,882	3,818	64.3%
Communications	88,394	96,432	16,235	16,469	(234)	101.4%	96,432	93,884	2,548	97.4%
Information Technology	228,459	258,391	66,750	60,235	6,515	90.2%	258,391	239,787	18,604	92.8%
Employee Training	50,741	70,000	17,500	7,311	10,189	41.8%	70,000	31,604	38,396	45.1%
Misc. Operating Costs	107,489	132,205	30,905	17,071	13,834	55.2%	132,205	111,063	21,142	84.0%
Subtotal Operating Costs	\$ 547,426	\$ 712,631	\$ 204,390	\$ 150,723	\$ 53,667	73.7%	\$ 712,631	\$ 575,910	\$ 136,721	80.8%
TOTAL EXPENDITURES	\$ 7,271,855.14	\$ 8,645,420	\$ 2,367,050	2,053,367	\$ 313,683	86.7%	\$ 8,645,420	7,706,633	\$ 938,787	89.1%
EXPENDITURES (OVER)/ UNDER REVENUES	217,649	\$ 259,564	\$ (892,716)	(368,299)	\$ (524,417)		\$ 259,564	\$ 1,601,401	\$ (1,341,837)	

Department of Savings and Mortgage Lending

Budget Variance Analysis

For the Quarter Ending August 31, 2023

Revenues: Overall revenues are at 104.5% of budget.

Thrift Assessments – Amounts collected are 19.8% over budget due to higher than budgeted thrift industry risk-weighted assets.

Thrift Application Fees – Amounts collected are 61.9% over budget due to higher application activity during the fourth quarter.

Licensing Fees – Amounts collected are 20.4% under budget. The Department received fewer applications than budgeted.

Misc. Revenues – Actual amounts are significantly over budget, due to an increase of the collected depository interest.

Expenditures: Overall expenditures are at 10.9% under budget.

Personnel Costs – The category is 10% under budget due to unfilled vacancies.

Travel – Travel costs incurred were 16.3% under budget, due to fewer in-person training events attended and changes in business processes reducing the need for travel to the exam locations.

Travel Breakdown 4th Qtr FY23			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$96,147.91	\$909.93	\$97,057.84
Development and Training	12,962.51	15,486.70	28,449.21
Other Regulatory Activities	55.00	0.00	55.00
Non-Employee Travel	2,468.97	0.00	2,468.97
Total	\$111,634.39	\$16,396.63	\$128,031.02

Professional Fees – Fees for legal services paid to Office of the Attorney General were significantly below budgeted.

Information Technology – Due to vacancies, the amounts budgeted for equipment for new employees were not expended, resulting in the category to be 7.2% under budget.

Employee Training – The category is impacted by unfilled vacancies and changes in the type of training offered taken - multiple training events are offered virtually at reduced or no cost.

Miscellaneous Operating Costs – The category is 16% under budget due to lower than budgeted costs for maintenance and repairs of the building, SWCAP, and other contracted services.

Department of Savings and Mortgage Lending

Liquidity Report For the Quarter Ending August 31, 2023

	ACTUAL
Cash at Beginning of Period	\$ 13,261,741
Revenues Over (Under) Expenditures	(372,068)
Increase (Decrease) in Payables	56,112
(Increase) Decrease in Receivables	3,798
Cash at End of Period	<u>12,949,583.04</u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	9,634,439
Payables (net of receivables)	760,276
Lump Sums for Retirements	144,602
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 10,539,317</u>
Unreserved Cash Balance:	
Future Operations	\$ 2,410,266
Total Unreserved Cash Balance	<u>\$ 2,410,266</u>
Total Cash Balance	<u>\$ 12,949,583</u>
Unreserved Cash/FY2024 Monthly Budget	3.09 months



E. 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

Fifty-two applications were received requesting nearly \$4 million in funding for the 2024-2025 grant cycle. The Grant Advisory Committee (GAC) met on October 11 and reviewed applications. The GAC is submitting its recommendations for grant award recipients (see below).

The GAC’s role is to objectively evaluate grant applications. In evaluating applications, GAC members exercise thorough judgement to ensure an impartial and transparent process. In its deliberations, the GAC collaboratively reviewed applicant programs to ensure funding recommendations maximize TFEE impact.

The following factors were considered in recommendations: TFEE Priorities (Adult Financial Education, K-12 Financial Education, Financial Coaching); geographic area; unique and underserved populations; and application score. The GAC strived to ensure that: all TFEE priorities were represented; dispersed geographic areas of the state were represented, innovative programs serving unique and underserved populations were supported; and, the organization presented a strong application.

The Finance Commission approved \$730,000 in funding for the 2024-2025 cycle at its June 16, 2023 meeting. The GAC recommends a slight increase in funding to \$735,700 to fund the recommended grant proposals and organizations at their requested amounts.

Recommendations for 2024-2025 Grant Awards

Organization	Term	TFEE Goal Category	Amount
Center for Transforming Lives	2 years	Financial Coaching	\$60,000
Foundation Communities	2 years	Adult Financial Education & Capability	\$60,000
Girl Scouts of Northeast Texas	2 years	K-12 Financial Education & Capability	\$90,000
Grace After Fire	2 years	Adult Financial Education & Capability	\$90,000
Houston Area Women’s Center	2 years	Financial Coaching	\$90,000
My Possibilities	2 years	Adult Financial Education & Capability	\$90,000
Panhandle Community Services	1 year	Adult Financial Education & Capability	\$40,000
Pockets Change	2 years	K-12 Financial Education & Capability	\$90,000



Texas Financial Education Endowment (TFEE)

RAISE Texas	2 years	Financial Coaching	\$35,700
Region One Education Service Center	2 years	Adult Financial Education & Capability	\$90,000
		TOTAL	\$735,700

RECOMMENDED ACTION: The OCCC requests that the Audit Committee recommend that the Finance Commission approve the above listed organizations and funding amounts for TFEE grant awards during the 2024-2025 cycle.

RECOMMENDED MOTION: I move that the Audit Committee recommend that the Finance Commission approve the listed organizations and funding amounts for TFEE grant awards in the aggregate amount of \$735,700 during the 2024-2025 cycle.

F. Activities of the Texas Financial Endowment Fund

Semi-annual reports for the third cycle of TFEE’s 2022-2023 grant program were due at the end of July, along with the longitudinal reports for one-year grantees. A total of \$68,080.57 has been requested and reimbursed for the cycle. The third semi-annual report is pending publication. The 4th and final semi-annual reports and reimbursement requests are due on January 30, 2024.



2022-23 GRANT CYCLE
SEMI-ANNUAL REPORT No. 3

JANUARY 1, 2023 – JUNE 30, 2023

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Grant Advisory Committee

Laura Rosen, Consumer Advocate Representative
Roselyn Morris, Finance Commission Representative
Justin Accola, Department of Savings and Mortgage Lending
Ashley Minaudo, Credit Access Business Industry Representative
Laura Nassri Warren, Finance Commission Representative
Linda Davis-Demas, Financial Education Consultant

Grant Coordinator

Patricia Hord, Office of Consumer Credit Commissioner

2022-23 TFE Grant Recipients

Austin Community College	Adult Financial Education & Capability
Building Financial Capacity Coalition	K-12 Financial Education & Capability
Easter Seals of Greater Houston	Financial Coaching
Family Services Association of San Antonio	Financial Coaching
FoolProof Foundation	K-12 Financial Education & Capability
Foundation Communities	Adult Financial Education & Capability
Girl Scouts of Northeast Texas	K-12 Financial Education & Capability
Goodwill Central Texas	Adult Financial Education & Capability
Houston Area Women’s Center	Financial Coaching
Metrocrest Services	Adult Financial Education & Capability
Prison Entrepreneurship Program	Adult Financial Education & Capability
RAISE Texas	Financial Coaching

Summary

The Texas Financial Education Endowment awarded 12 organizations an aggregate amount of \$409,000 in funds for program activities related to the 2022-23 grant cycle. These organizations promote and strengthen financial education and capability across Texas.

During the third reporting period (January 1, 2023 – June 30, 2023), grant funds were used to provide 5,547 hours of direct financial education training to 5,433 Texas consumers through group presentations and one-on-one financial coaching sessions.

Funds Disbursement to Date

Amount Awarded	\$409,000.00
Total Requested Amount for Reimbursement Requests No. 1 & 2:	\$272,817.14
Reimbursement Requests (No. 3 January 1, 2023 – June 30, 2023)	
Austin Community College	\$7,560.00
Building Financial Capacity Coalition	\$7,500.00
Easter Seals of Greater Houston	\$10,000.00
Family Service Association of San Antonio	\$0.00
FoolProof Foundation	\$0.00
Foundation Communities	\$6,907.87
Girl Scouts of Northeast Texas	\$23,017.30
Goodwill Central Texas	\$5,531.57
Houston Area Women's Center	\$0.00
Metrocrest Services	\$0.00
Prison Entrepreneurship Program	\$9,445.40
RAISE Texas	\$0.00
Total Requested Amount for Reimbursement Request No. 3:	\$69,962.14
Total Requested Amount to Date:	\$342,779.28
% of Funds Expended to Date:	83.8%
Amount of Funds Remaining	\$66,220.72

Austin Community College

Austin Community College's (ACC) Student Money Management Office (SMMO) was established in 2016 and delivers quality financial literacy instruction and guidance at key points in students' academic careers. The purpose of their Gaining Momentum program is for the SMMO to provide financial education and capability support to minority ACC students.

The Gaining Momentum program strives to support consumer credit building and interest in financial capability by offering the following to participants at no cost: financial education, financial coaching, credit building incentives, debt reduction incentives and support (including asset building support). In addition, it intends to increase the financial well-being of participants (as measured by the United States Consumer Financial Protection Bureau's scale) and promote students' interest in supporting the long-term national outcome of increasing racial equity and closing the racial wealth gap.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000

FUNDS REQUESTED THIS PERIOD: \$7,560 | TOTAL REIMBURSED YTD: \$38,145

Program Update

In the third reporting period, ACC's Gaining Momentum Program received 48 applications in Cohort 3. Thirteen students were selected and completed the program. Students reported connecting, as well as feeling encouraged and supported by program staff. The program coordinator co-presented information on the racial wealth gap, which included information about the Gaining Momentum Program, at the 2023 Texas Association of Black Personnel in Higher Education Conference. The presentation was about the financial building blocks required to build wealth.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- 3 financial education workshops and 1 Racial Wealth Gap Forum were delivered to 13 students
- 26 hours of direct contact were provided to participants
- \$6,500 in incentives was dispersed to students who successfully completed the program

Major Achievements

- 2 former work-study students who had participated in the program returned, adding to the success of Cohort 3
- Implementation of a raised GPA requirement for Cohort 3 yielded noticeable improvements in program efficiency and ensuring successful completion of tasks by participants

Biggest Challenges

- No challenges to report

Building Financial Capacity Coalition

Building Financial Capacity Coalition (BFCC) champions effective financial education for families in the Rio Grande Valley. Its mission is to foster community prosperity by enhancing the knowledge and skills that families need to improve their financial decision-making for both personal and small business finances.

The goal of BFCC's Money Smart Ambassador (MSA) Program is to collaborate with local independent school districts (ISD) in helping high school students complete the Train the Trainer curriculum, design and share financial literacy presentations, and participate in a Financial Literacy Summit. BFCC's Labor of Love (LOL) Student Program will identify at-risk students, especially young mothers enrolled in BFCC's participating districts, to participate in classroom trainings, receive guidance through FDIC Money Smart modules, attend job application and resume building workshops, and participate in life skills sessions.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$7,500 | TOTAL REIMBURSED YTD: \$22,500

Program Update

The MSA program successfully conducted a Summit in the Lower Rio Grande Valley (RGV) and one in the Upper RGV area, where students showcased their financial education knowledge by presenting to their teachers and peers while competing for monetary awards. The program included participants from 10 high schools in the Brownsville and Harlingen Independent School Districts. Additionally, BFCC has partnered with Troutwood, a non-profit organization, to help track students' post-program progress. Troutwood has donated their app, allowing students to track financial progress and make sound financial decisions via the internet or by downloading an application to their phones.

Reporting Period Update (January 1, 2023 - June 30, 2023)

Program Activities

- 335 hours of direct contact were provided to 61 students and 10 teachers in MSA
- Labor of Love Financial Education Program served 45 students and 5 teachers through 750 hours

Major Achievements

- Successfully conducted Upper and Lower RGV Summits and awarded winners in each area
- Partnered with Troutwood to track students' financial education knowledge via a financial planning app

Biggest Challenges

- Students are trying to catch-up academically, which limits their availability for BFCC's programs

Easter Seals of Greater Houston

Easter Seals of Greater Houston (Easter Seals) has a 75-year history of working with vulnerable populations. Their team includes trainers certified through the U.S. Department of Housing and Urban Development, all of whom are certified financial coaches with extensive experience addressing the unique issues facing low income families and those stemming from disability. The purpose of their Financial Coaching for Low Income People with Disabilities program is to support financial coaching for Montgomery and Harris County high school and transition-aged youth with disabilities, in addition to low income people of all ages with a family member in the household who has a disability, or is a veteran.

With a focus on long-term change, the program’s general goals are to increase knowledge, work with clients to set goals, and support clients in improving their financial stability. Specific goals are to help people understand credit and debt, while moving toward building assets and savings. Easter Seals will offer financial literacy and credit boot camp opportunities; assist with clear affordable rental/ housing cost loads; and help break the cycle of poverty through homeownership opportunities.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000

FUNDS REQUESTED THIS PERIOD: \$10,000 | TOTAL REIMBURSED YTD: \$30,000

Program Update

During the third reporting period, Easter Seals provided 1,850 direct contact hours to 210 individuals. The pre-purchase counseling program continues to grow in terms of the number of client families and outcomes. Specifically, 40 new client families entered long-term, one-on-one counseling with homeownership as the ultimate goal. Clients are now required to attend an in-person “pre-closing interview” with the financial counselor to review all closing documents and emphasize the client’s responsibilities as homeowner.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- 122 participants established or raised credit scores, and 11 established or increased savings
- Several families reassessed action plans to address higher interest rates and mortgage payments

Major Achievements

- Additional down-payment programs have been identified for participants
- Program success has strengthened ties with county and other community housing organizations

Biggest Challenges

- Challenges continue to stem from rising interest rates and increasing property values

Family Service Association of San Antonio

The Family Service Association of San Antonio (FSA) was founded in 1903 with the mission of empowering individuals and families to transform their lives and strengthen their community. Its Financial Empowerment Center was established over eight years ago and has partnered with such organizations as the City of San Antonio, United Way of San Antonio, and Bexar County, since its inception.

The goal of FSA's Financial Empowerment Services program is to increase economic opportunities for low-income families and individuals. The project was developed to assist participants in overcoming barriers such as minimal educational attainment, insufficient job skills, and ineffective support systems that contribute to a lack of individual employability and perpetuate intergenerational cycles of poverty. The program will provide financial capability to 1,000 individuals through one-on-one financial counseling focused on: reducing debt, increasing credit scores, savings, banking, and wealth building.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000

FUNDS REQUESTED THIS PERIOD: \$0 | TOTAL REIMBURSED YTD: \$24,356.71

Program Update

FSA's Financial Empowerment Center continues to provide low-income families with economic stability and sustainability in impactful and measurable ways. During the third reporting period, FSA provided 2,586 direct contact hours to 1,293 participants through one-on-one financial counseling and coaching sessions. Program participants continue to see success in the areas of increased credit scores and savings, as well as in debt reduction.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- 202 participants established or raised credit scores by an average of 15%
- 23 participants established or increased their savings by \$4,120
- 243 participants reduced the use of consumer loan products and/or other debt by 10%

Major Achievements

- Pre-homeownership counseling sessions were provided to 25 individuals
- 2 participants receiving pre-homeownership counseling were able to purchase homes
- 23 individuals were able to save 2% of their annual income

Biggest Challenges

- Demand for financial counseling services continues to increase, as staff continue to be added

FoolProof Foundation

FoolProof Foundation (FoolProof) was created because a 12-year-old boy working three jobs was the only kid in an audience full of adults being counseled on money problems. He was not there with his parents; he was there to learn tips to help his parents and to learn tips to keep him from making the same mistakes his parents had made. Like that boy, about 29 million children in the U.S. are living in a low-income, poor, or deep-poverty family. All of these children and their families are at greater risk for abuses in the financial marketplace. FoolProof's aim has been to develop resources for the underserved to learn consumer skills.

FoolProof's goal is to support a comprehensive professional development (PD) program promoting access to financial education for teachers of grades 5-12 located throughout Dallas County. Existing relationships with administrators in Dallas ISD will be leveraged to coordinate, plan, and execute four PD sessions, thus onboarding 120 new teachers and increasing curriculum usage in Texas by 2,200 students.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION CAPABILITY

GRANT TERM: ONE YEAR | AMOUNT AWARDED: \$29,000

FUNDS REQUESTED THIS PERIOD: \$0 | TOTAL REIMBURSED YTD: \$25,876.34

Program Update

This was a one-year grant; there is no new activity to report.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- This was a one-year grant; there is no new activity to report

Major Achievements

- This was a one-year grant; there is no new activity to report

Biggest Challenges

- This was a one-year grant; there is no new activity to report

Foundation Communities

As the largest nonprofit provider of affordable housing in Central Texas, Foundation Communities (FC) was established in 1990 with a mission to create housing where individuals and families succeed. They have established significant partnerships with more than 50 nonprofits and community groups.

The goal of FC's Building Pathways to Financial Wellness program is to connect an estimated 800 low-income clients to a variety of tools including: one-on-one financial coaching, group classes and workshops, credit-building opportunities (Rent Reporting), and loan repayment (Fresh Start Loans).

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$20,000

FUNDS REQUESTED THIS PERIOD: \$6,907.87 | TOTAL REIMBURSED YTD: \$18,781.26

Program Update

FC continues to provide expertise, support, and resources that expand access and opportunities for their clients to thrive. In the third reporting period, 33 program coaches met with clients to complete 715 appointments, and 63 new individuals enrolled in Rent Reporting. In total, 398 financial coaching clients were served; pre-and post-surveys were collected from 297 of those clients.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- 4 program participants established or raised credit scores by an average of 9%
- 5 participants established or increased savings by an average of \$2,915.00
- 1 participant reduced the use of consumer loan products and/or other debt

Major Achievements

- 65% of clients made progress toward or achieved self-selected financial goals
- Program plans include expansion to two additional properties in the next few months

Biggest Challenges

- Rent reporting data was not reported to the credit bureaus for about 27% of enrolled residents; FC continues to work closely with its partner to identify and resolve the issue
- Rent reporting software issues limited the number of new participants that FC was able to enroll in the program during this period

Girl Scouts of Northeast Texas

The mission of Girl Scouts of Northeast Texas (GSNETX) is to build girls of courage, confidence, and character who make the world a better place. Their financial literacy program is designed to empower girls to take the lead in their lives as they learn about personal finances through age-appropriate activities. This will be a sister course to the Girl Scout Cookie Program entrepreneurship educational sessions which focus on goal setting, decision making, money management, people skills, and business ethics.

GSNETX plans to engage 3,500 girls (in grades K-8) in a comprehensive development program focused on personal financial education. The ultimate goal will be to prepare girls for the future by providing hands-on activities to build skills and knowledge for managing their personal finances. GSNETX plans to take existing curriculum and update it for middle school girls, to add more hands-on activities, and to align the skills being developed with the 2021 new Entrepreneurship badges released by Girl Scouts of the USA.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY
GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000
FUNDS REQUESTED THIS PERIOD: \$23,017.30 | TOTAL REIMBURSED YTD: \$33,040.32

Program Update

In the third reporting period, 4,661 girls in grades K-8 registered for and received the financial literacy sessions over the January through June period, and GSNETX has delivered the programs in collaboration with 31 school program partners. Successful events were a result of diligent planning and active involvement by participants in the planning process where participant feedback was transformed into tangible outcomes. Girls were provided with gamified, age-appropriate financial literacy. One program allowed girls to play a life-size version of the Game of Life where they were assigned jobs and salary amounts, while navigating through real-world scenarios. They were challenged to make life-changing decisions based on budget limitations, allowing them to observe the difference between wants and needs.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- Middle school girls went into the community to do a Q&A with business owners to see what it takes to start a business and explore the challenges of business ownership
- Personalized escape rooms were developed around financial literacy-themed questions

Major Achievements

- Allowing girls to be part of the planning process gave increased program attendance/engagement

Biggest Challenges

- With financial literacy training, program instructors would be better equipped to teach lessons

Goodwill Central Texas

For six decades, Goodwill Central Texas (Goodwill) has relentlessly focused on a single goal, "transforming generations by empowering people through education, career training, and work". Believing that education and work are the only true pathways out of poverty, they seek to provide opportunities for community members facing obstacles to sustainable employment: people with disabilities, people lacking education, people with criminal backgrounds, people facing homelessness, and youth lacking opportunity.

The goal of the Goodwill Match Program (Goodmatch) is to assist 60 participants with developing a budget, becoming banked, and building savings. The program will leverage an existing partnership with University Federal Credit Union (UFCU), offering matched and incentivized funds to individuals who meet established financial education, goal setting, and saving criteria.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY
GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000
FUNDS REQUESTED THIS PERIOD: \$5,531.57 | TOTAL REIMBURSED YTD: \$25,531.57

Program Update

During the third reporting period, Goodwill’s Goodmatch program saw an increase in savings after the first of the year, but enrollment remains slow. Participation in the program is tied to the individual’s employment at Goodwill Central Texas. In the past, employees have left Goodwill employment prior to completing the match goal of \$500. Therefore, Goodwill is making efforts to promote the program and provide services to those who are interested.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- 43 participants established or increased savings by an average of \$100
- UFCU continues to track the number of participants with auto-deposit for emergency savings

Major Achievements

- 5 participants have set up and are maintaining balances in their UFCU accounts

Biggest Challenges

- Enrollment in the Goodmatch program continues to be slow; noted barriers include limited technological resources, lack of transportation, and unavailability during work hours
- Digital literacy is an ongoing barrier for applicants, but having Career Coaches on site allows team members to complete online account applications and virtual orientation sessions

Houston Area Women’s Center

The Houston Area Women’s Center (HAWC) works to end domestic and sexual violence and supports all people in building safe and healthy lives through advocacy, counseling, education, shelter, and support services. For survivors of domestic violence, financial abuse is the largest barrier to achieving self-sufficiency; batterers limit access to finances, so many survivors lack the job and financial management skills needed to free themselves from dependency on the abuser.

The goal of HAWC’s Financial Empowerment Program is to advance the financial capability of 100 survivor participants. A key program objective is for participants to establish and reach a financial goal by learning about financial empowerment through ongoing, one-on-one coaching. Another key objective is for participants to increase their financial knowledge by attending a two-year class consisting of five sessions each, twice per year. The class will be delivered (in both Spanish and English) through workshops on financial empowerment, and success will be measured through pre- and post-learning surveys.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000

FUNDS REQUESTED THIS PERIOD: \$0 | TOTAL REIMBURSED YTD: \$35,485.55

Program Update

Throughout this reporting cycle, HAWC continued to support clients in understanding that financial abuse is part of the Domestic Violence cycle and in acknowledging that their current financial situation is a result of the abuse. That has been new knowledge learned for many survivors, which will empower the survivor to reach financial independence. Due to the remaining low funds and no staff allocated to this grant, HAWC was unable to provide services to clients who received financial education under this grant, and no data was collected during the cycle.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- None to report during this cycle

Major Achievements

- None to report during this cycle

Biggest Challenges

- Limited funding has been the greatest challenge during this cycle

Metrocrest Services

For over 50 years, Metrocrest Services (Metrocrest) has offered programs (in Carrollton, Farmers Branch, Addison, Coppell in Dallas County, and Dallas in Denton County) for individuals, families, and seniors that lead to self-sufficiency and holistically end generational poverty. After helping clients meet their acute, initial needs, Metrocrest works on long-term solutions for moving clients out of poverty through a successful model of bundled programming.

Metrocrest's Financial Empowerment component serves extremely-low to low-income residents in its area and is crucial to helping families construct a stable foundation for the future. The program's goal is to serve 1,181 individuals, specifically through increased credit scores and savings.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY
GRANT TERM: ONE YEAR | AMOUNT AWARDED: \$20,000
FUNDS REQUESTED THIS PERIOD: \$0 | TOTAL REIMBURSED YTD: \$20,000

Program Update

This was a one-year grant; there is no new activity to report.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- This was a one-year grant; there is no new activity to report

Major Achievements

- This was a one-year grant; there is no new activity to report

Biggest Challenges

- This was a one-year grant; there is no new activity to report

Prison Entrepreneurship Program

Prison Entrepreneurship Program (PEP) emphasizes an inside-out approach that combines character and leadership development, family reconciliation, business education, and the power of a positive peer group. PEP's eSchool program works with men both in-prison and post-release to help support lasting financial independence with the long-term goal of decreasing recidivism (return to prison). eSchool 101 is PEP's entry-level education program for clients during the first 150 days after release from prison, and focuses on such topics as: building resumes, debt, net worth, building credit, etc. eSchool 200 serves clients who have graduated from eSchool 101 and want to learn more about small business management.

PEP's goal is to create a comprehensive strategy to increase its graduation rate from eSchool 101 to fifty percent of enrolling students achieving graduation within six months, enhancing the pipeline of students eligible to enroll in eSchool 200. PEP will pilot and finalize its eSchool 201 curriculum, addressing entrepreneurship topics to serve the emerging pipeline of newly graduated eSchool 101 and 200 alumni, and creating standardization across three "campuses" (Dallas, Houston, and virtual learning).

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$40,000

FUNDS REQUESTED THIS PERIOD: \$9,445.40 | TOTAL REIMBURSED YTD: \$39,062.53

Program Update

During the third reporting period, 525 individuals were directly served through 52 courses. PEP primarily served clients (after release) who graduated from the in-prison program. PEP continued to build awareness and saw the results in participants' willingness to engage in the post-release curriculum. PEP saw an opportunity to be a wider community solution to more returning citizens but needs to increase awareness for this segment of its target population. In Feb 2023, PEP rebranded its eSchool classes to be eSchool Networking and eSchool Aspiration. While the educational goals remain the same, the new brand has resonated with clients. For example, Aspiration is forward looking and goal oriented.

Reporting Period Update (January 1, 2023 - June 30, 2023)

Program Activities

- 83 participants established or raised credit scores by an average of 9%
- 77 participants established or increased savings by an average of \$425

Major Achievements

- There is tangible demand in PEP's volunteer base for more hands-on engagement

Biggest Challenges

- Moving clients into a traditional financial structure after having led a "cash" life

RAISE Texas

RAISE Texas (RAISE) is a coalition of 1,500 organizations and individuals united around the common goal of advancing equitable policies and programs that foster financial security and economic mobility for low- and moderate-income Texans. RAISE has two full-time staff, a team of community leaders from 13 Texas regions, and a 14-member Board of Directors (experts in financial coaching/services to asset building).

Based on coalition feedback and research showing a need for financial coaching curriculum that teaches core competencies in financial education, as well as cultural competence and an understanding of the racial wealth divide, RAISE will develop its Financial Education Curriculum Component for Training Financial Coaches, emphasizing increased expertise in financial subject matter. The curriculum will be tested, piloted, and evaluated by 25 coaches; revisions will be completed and a final curriculum package will be made available for use in conjunction with trainings focused on financial coaching skills in Texas.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: ONE YEAR | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$0 | TOTAL REIMBURSED YTD: \$30,000

Program Update

This was a one-year grant; there is no new activity to report.

Reporting Period Update (January 1, 2023 – June 30, 2023)

Program Activities

- This was a one-year grant; there is no new activity to report

Major Achievements

- This was a one-year grant; there is no new activity to report

Biggest Challenges

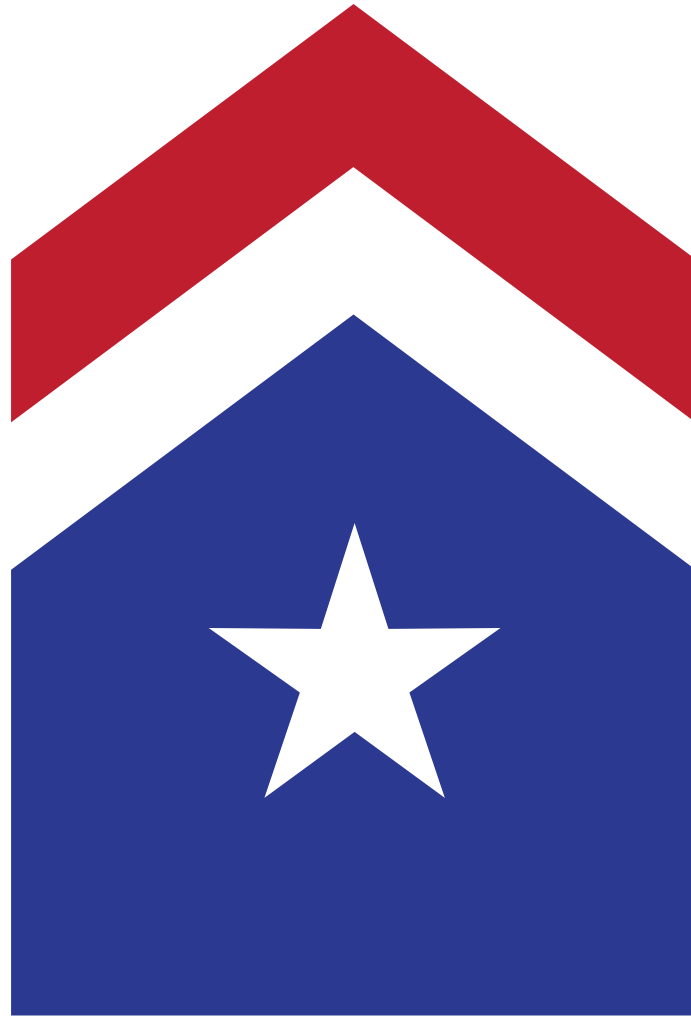
- This was a one-year grant; there is no new activity to report



Mortgage Grant Fund Activities Report – September 30, 2023

Activities relating to the Mortgage Grant Fund (MGF)

During the first semi-annual reporting period a total of \$122,186.62 was requested and reimbursed. The semi-annual report is included in the audit committee packet.



2023 – 2024 GRANT CYCLE
SEMI-ANNUAL REPORT No. 1

JANUARY 1, 2023 – JUNE 30, 2023



Mortgage Grant Fund

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Mortgage Grant Advisory Committee

Ann Baddour, Consumer Advocate and Presiding Officer (6 Year Term)
Martin Green, Banking and Financial Services Attorney (6 Year Term)
Molly Curl, Financial Industry Advisor (4 Year Term)
Patricia Hord, OCCC Representative and Grant Administrator (2 Year Term)

Grant Coordinator

Andrea Herrera, Department of Savings and Mortgage Lending

2023 – 2024 MGF Grant Recipients

Organization	Metropolitan Statistical Area (MSA)
Brazos Valley Affordable Housing	College Station-Bryan, TX
Credit Coalition	Houston-The Woodlands-Sugar Land, TX
Foundation Communities	Austin-Round Rock-Georgetown, TX
Galilee Community Development	San Angelo, TX
Grassroots Community Development	Waco, TX
Habitat for Humanity Abilene	Abilene, TX
Habitat for Humanity Camp County	Longview, TX
Houston Habitat for Humanity	Houston-The Woodlands-Sugar Land, TX
Habitat for Humanity of Jefferson County	Beaumont-Port Arthur, TX
Habitat for Humanity of San Antonio	San Antonio-New Braunfels, TX
Fort Worth Area Habitat for Humanity	Dallas-Fort Worth-Arlington, TX

Summary

The Mortgage Grant Fund awarded 11 organizations an aggregate amount of \$645,278.00 in funds for program activities related to the 2023 – 2024 grant cycle.

During the first reporting period (January 1, 2023 – June 30, 2023), the Grantees met and/or exceeded their original objective goals to support mortgage financial literacy and financial counseling.

Funds Disbursed to Date:

Amount Awarded for the 2023-2024 Grant Cycle:	\$645,278.00
Reimbursement Requests (January 1, 2023 – June 30, 2023)	
Brazos Valley Affordable Housing	\$ 16,523.68
Credit Coalition	\$ 24,207.63
Foundation Communities	\$ 14,955.20
Galilee Community Development	\$ 2,167.64
Grassroots Community Development	\$ 10,448.61
Habitat for Humanity Abilene	\$ 0.00
Habitat for Humanity Camp County	\$ 1,554.86
Houston Habitat for Humanity	\$ 17,910.00
Habitat for Humanity of Jefferson County	\$ 7,200.00
Habitat for Humanity of San Antonio	\$ 22,063.00
Fort Worth Area Habitat for Humanity	\$ 5,156.00
Total Requested for Reimbursement:	\$122,186.62
Total Requested Amount to Date:	\$122,186.62
% of Funds Expended to Date:	19%
Amount of Funds Remaining:	\$523,091.38

Brazos Valley Affordable Housing Corporation (BVAHC)

BVAHC serves Brazos, Leon, Burlison, Robertson, Madison, Grimes and Washington counties. Since 2017, their Financial Fitness Center program has helped clients gain financial stability by developing healthy habits. Within five years, clients build financial stability and have savings to purchase their first home. The journey begins with \$25 — a savings account to establish a foundation for financial self-sufficiency.

Program Name: \$25 Solution
 Amount Awarded: \$80,000.00
 Grant Term: 2 Years

Program Activities:

One on One Financial Counseling	Number of individuals directly served	210
	Number of direct contact hours with participants	315
	Number of participants who established or raised credit score	51
	Average credit score increases (%)	15%
	Number of participants who established or increased savings	183
	Average increase in savings (\$)	\$ 300.00

Achievements:

- 42 Clients opened an account at a bank
- 5 Clients purchased a home

Challenges:

BVAHC has many families that have the savings to afford a down payment and closing costs. However, in the current economy, they are unable to find a home within their budget. With this challenge, BVAHC is moving, networking, and connecting with organizations to help find or build or sell affordable housing.

Most of their clients are from Child Care Management Services (CCMS) through Workforce Solutions and HUD. These clients' families have experienced generational poverty; most have received governmental assistance without an understanding of how to save or budget. As a result, a majority of the clients start the program with limited income, and others are searching for work. BVAHC customizes the program to start with a budget that works for each client.

Success Story:

A client was at the stage of the program to purchase their first home. The client's goal was to help other veterans in need of housing. As a result, the client considered homes with additional space, but the larger homes were above the budget. With encouragement from BVHAC, the client sent a letter with the offer explaining the intentions and goals of the home. Based on the client's straightforward explanation and goal, the property owners not only selected the client but also knocked off \$100K of the sale price. The client was able to purchase the home and fulfill the dream of assisting other homeless veterans.

Credit Coalition

Credit Coalition has served Harris County, Jefferson County, and surrounding areas for more than 30 years. Their purpose is to empower consumers through financial and homebuyer counseling and education to make informed, reasonable, and responsible decisions regarding their financial and housing goals.

They offer pre- and post-homeowner education: Fundamentals of Good Credit (FOGC), and Life as a Homeowner, respectively. Some of their other services include Foreclosure Intervention Counseling and Reverse Mortgage Counseling.

Program Name: Fundamentals of Good Credit
Amount Awarded: \$50,000.00
Grant Term: 2 Years

Program Activities:

Online Class	Number of online classes hosted	30
	Number of individuals in attendance with online classes	295
In- Person Class	Number of in-person classes given	25
	Number of individuals in attendance for in-person classes	55
One on One	Number of individuals directly served	6
	Number of direct contact hours with participants	35

Achievements:

- 10 FOGC class series (a total of 15 hours)
- 1 class of Life as a Homeowner (4 hours)
- 303 Participants completed FOGC

Challenge:

Post pandemic, their in-class participant numbers are still low. To raise the in-class participant numbers, they have increased their social media presence and outreach within the community.

Success Story:

The unique part of the FOGC program is that if a participant misses a class, they can make it up the next time classes are held (usually within several weeks). As a result, the participant completion rate is high: of 350 participants, 303 completed the FOGC classes.

Foundation Communities

Foundation Communities (FC) has served Austin and North Texas communities for over 30 years. They also create housing where individuals and families succeed by utilizing a housing-plus services model that empowers low-income residents and neighbors with the tools and support they need to stabilize and increase their economic standing.

Recently, an FC survey found that a majority of residents showed interest in purchasing a home. Catering to the residents' needs, FC started their Pre-Mortgage Financial Wellness Program. Through rent reporting, 1:1 financial coaching, and affordable homeownership workshops, they are providing the community with tools to achieve the goal of homeownership.

Program Name: Pre-Mortgage Financial Wellness Program
 Amount Awarded: \$48,690.00
 Grant Term: 2 Years

Program Activities:

Online Class	Number of online classes hosted	2
	Number of individuals in attendance with online classes	50
One on One Financial Counseling	Number of individuals directly served	398
	Number of direct contact hours with participants	615
	Number of participants who established or raised credit score	4
	Average credit score increases (%)	9%
	Number of participants who established or increased savings	5
	Average increase in savings (\$)	\$ 2,915.00

Achievements:

On average, 66 new clients participated in financial coaching each month. For the first semi-annual period, FC coached 398 clients; and 70% of the participants have made progress toward their goals. On average, ten additional clients enroll monthly in credit reporting.

Challenge:

FC provided rent reporting services to build residents' credit history. The rent credit reporting software had glitches in report accuracy at first. They worked with the credit bureaus and vendor to fix the glitches.

Success Story:

FC partners with other organizations, such as Lifeworks, Caritas, and Family Eldercare, to reach more residents.

Galilee Community Development Corporation

Galilee Community Development Corporation (Galilee CDC) serves the Concho Valley area. Galilee CDC’s mission is to create decent, affordable housing for low- and moderate-income families by:

- Revitalizing blighted neighborhoods
- Producing single-family and multi-family housing
- Engaging in new construction
- Rehabilitating and repairing homes
- Removing artificial barriers and prejudices in housing opportunities
- Preparing households for the transition from renters to buyers to owners
- Supporting economic and community development

In 2021, Galilee CDC expanded their services to include mortgage financial literacy. They provide pre-purchase and post-purchase homeownership education to the community. With this new program, they continue to build their financial education program.

Program Name: Financial Literacy
Amount Awarded: \$51,903.00
Grant Term: 2 Years

Program Activities:

Online Class	Number of online classes hosted	2
	Number of individuals in attendance with online classes	13
In-Person Class	Number of in-person classes given	11
	Number of individuals in attendance for in-person classes	60

Achievements:

In this reporting period, Galilee CDC had a total of 65 participants. Of those participants, eight attended two or more classes, and two proceeded with 1:1 counseling. These achievements show that people return for additional financial counseling.

Challenge:

Some participants have requested evening financial education classes to better fit their schedules, and Galilee CDC is working to increase the number of virtual classes in hopes to increase participation.

Success Story:

Galilee CDC partnered with Housing Authority of San Angelo (HASA) and local sober living facilities. In June, Galilee CDC participated in HASA’s Family Fund Day event where they passed out CFPB Money Monsters literature.

Grassroots Community Development

Grassroots Community Development (Grassroots) serves Waco and surrounding communities. Grassroots utilizes an asset-based community development approach to serve neighbors, children, and communities.

Grassroots points to a 2019 study conducted by the Swiss Journal of Economics and Statistics, which indicates most people severely lack financial literacy. Grassroots' goal is to confront the lack of literacy by offering free financial literacy classes, homebuyer education, and an Individual Development Account (savings program).

Program Name: Homebuyer/Financial Literacy Education/Counseling
 Amount Awarded: \$40,000.00
 Grant Term: 2 Years

Program Activities:

Online Class	Number of online classes hosted	7
	Number of individuals in attendance with online classes	107
One on One	Number of individuals directly served	198
	Number of direct contact hours with participants	271

Achievements:

Grassroots was able to provide more 1:1 counseling to families with a focus in north and east Waco.

They hosted seven online classes with an attendance of 107 people. Of the class, 79 graduated — more than Grassroots' stated goal of 60 families.

Challenges:

Due to the unexpected medical leave of a staff member, Grassroots had to reschedule their 1:1 counseling sessions. As a result, they were able to complete only 432 counseling sessions during the first semi-annual period. Even so, their goal of 600 was 72% fulfilled.

Currently, they are working to attain their first goal of 600 as well as meeting their next goal of 600.

Success Story:

By taking classes, many participants gain the confidence to navigate the mortgage process without Grassroots' guidance. As a result, they cannot actively track whether all participants reached their goal of homeownership. However, nine families have contacted Grassroots to let them know of their home purchase.

Their housing counseling program recently passed a HUD audit with a clean bill of health. The audit ensures that the organization operates economically, efficiently, and effectively.

Habitat for Humanity Abilene, Inc.

Habitat for Humanity Abilene, Inc. (Habitat Abilene) is an affiliate of Habitat for Humanity International and serves the Abilene area.

Their financial program, Habitat College, began at the end of 2021. Participants receive basic home maintenance training, financial classes, and 1:1 counseling. Habitat Abilene is expanding the program to include both public participants as well as future Habitat families.

Program Name:	Habitat College
Amount Awarded:	\$71,000.00
Grant Term:	2 Years

Program Activities:

A ten-week class began in September for their Habitat families. Beginning in 2024, the program will also be open to public participants.

Challenges:

The family services coordinator needed additional program training, and Habitat is updating the financial education curriculum.

Success Story:

A cohort of six Habitat families will move into their homes by the end of 2023. A second cohort of six families will be in their homes by the end of 2024. All 12 families will complete Habitat College by the end of 2023.

Habitat for Humanity of Camp County

Habitat for Humanity of Camp County (Habitat Camp County) creates a better human habitat in which to live and work by making safe, modest, adequate housing for the community that has needs but are limited in resources.

In 2009, this branch of Habitat for Humanity was closing. However, several individuals were determined to keep it running. They rebuilt the organization in Pittsburg, Texas with such success that it outgrew its limited office space. Habitat Camp County recently purchased a building, intending to remodel it to a bigger office as well as classrooms.

Program Name: Home Dreamers Financial Literacy Program
Amount Awarded: \$50,000.00
Grant Term: 2 Year

Program Activities:

One on One	Number of individuals directly served	11
	Number of direct contact hours with participants	8

Achievements and Challenges:

While continuing to support the community, Habitat Camp County began remodeling the building and furnishing classrooms.

Then they experienced two setbacks: 1) termite damage to the building they purchased and 2) two major storms that badly damaged the area.

After the second storm, so many community members needed assistance that Habitat Camp County set aside the remodel to help rebuild the communities.

Success Story:

By the end of June, Habitat Camp County completed remodeling as they continued community outreach events. Inquiries increased about the new program, which begins later this year — in the new classrooms.

Houston Habitat for Humanity

Houston Habitat for Humanity (Houston Habitat) serves the counties of Houston and Harris. Through providing shelter, they empower people to build a better future.

Their Affordable Homeownership Program started in 1987 and continues to grow. A part of this program teaches the clients to save over a period of six to twelve months in an Individual Development Account (IDA) savings account. Clients may receive up to a \$2,000.00 match on their savings.

Program Name: Affordable Homeownership Program
 Amount Awarded: \$66,900.00
 Grant Term: 3 Years

Program Activities:

Train the Trainer New Curriculum	Number of individuals directly trained through program	3
	Number of participants reached through trained individuals	30
	Number of direct contact hours with the participants	42
One on One Financial Counseling	Number of individuals directly served	61
	Number of direct contact hours with participants	720
	Number of participants who established or raised credit score	15
	Average credit score increases (%)	4%
	Number of participants who established or increased savings	61
	Average increase in savings (\$)	\$ 1,900.00

Achievements:

Three employees are currently completing their coursework to be certified as Credit Counselors. As they continue to learn about credit counseling, they have been able to assist applicants to clear negative items on their credit reports. And once they have been certified, they will be able to prepare applicants for homeownership through credit knowledge, tools, and techniques to clean up their credit.

Challenge:

With outreach studies, Habitat Houston determined that some applicants do not understand a credit report — which prevents them from qualifying for a mortgage. Currently, they are considering new programs to help the wider community attain credit knowledge.

Success Story:

Habitat partners with Covenant Community Capital to assist Habitat families to open a savings account. Through budgeting course work and 1:1 counseling, Habitat families learn to stay on target and achieve their goal to become new homeowners.

In this reporting period, marketing efforts reached Spanish-speaking communities, which resulted in Hispanic applications increasing by 7%.

Habitat for Humanity of Jefferson County

Habitat for Humanity of Jefferson County serves the Golden Triangle community. Their program educates in the home-buying process as well as financial literacy.

A majority of their non-profit assistance helps elderly residents and their families restore older homes, rebuild homes damaged from hurricanes, and work with other organizations by providing free financial literacy services.

Program Name:	Financial Literacy Program
Amount Awarded:	\$33,585.00
Grant Term:	2 Years

Achievements:

This semi-annual period, Habitat Humanity of Jefferson County's grant administrator created and updated six modules of their Financial Literacy Program. This program will ultimately consist of 12 modules. The remaining six modules will be finalized by January 2024.

Starting August 2023, the updated Financial Literacy Program will commence and will conclude in November 2023.

Challenges:

Habitat for Humanity of Jefferson County has been challenged with creating modules for their target audience while keeping the information simple and easy for anyone of any education background to understand.

Success Story:

They have partnered with City of Beaumont to provide classes to the clients that apply to their Home Restoration program. Just recently, they have also helped Catholic Charities by providing financial literacy classes to their clients.

Habitat for Humanity of San Antonio, Inc.

Habitat for Humanity of San Antonio, Inc. (Habitat San Antonio) services Bexar and Guadalupe counties. They are an organization that builds modest, decent, and affordable homes without interest or profit.

The organization provides free credit reports and roadmaps to families that want to become Habitat families but need to improve credit reports to qualify. These roadmaps guide families to break financial barriers with the goal of enabling them to eventually qualify for an affordable home.

Program Name:	Habitat's Family Services
Amount Awarded:	\$75,000.00
Grant Term:	1 Year

Achievements:

Habitat 101's curriculum, currently in development, will educate the public about mortgage basics. Families that do not qualify for Habitat homes will be guided to online videos and workshops.

Challenge:

Due to staff turnover, the project got off to a late start. They have since hired new staff and are making strides with weekly meetings.

Success Story:

Not only is Habitat San Antonio finalizing the English curriculum, but they are also working with their bilingual employees to assist in the Spanish translation of Habitat 101.

Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity

Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity, (Trinity Habitat) serves the Arlington, and Fort Worth areas. They also serve families in Tarrant, Parker, Wise, Johnson, and Palo Pinto counties.

Their program consists of six areas of financial literacy/counseling: 1) financial behaviors; 2) borrowing, credit, and debt; 3) investing; 4) spending, savings, and budget; 5) community engagement; and 6) Habitat U (which wraps up with a class on home maintenance training).

Program Name: Habitat U
 Amount Awarded: \$78,200.00
 Grant Term: 2 Years

Program Activities:

Online Class	Number of online classes hosted	7
	Number of individuals in attendance with online classes	54
In-Person Class	Number of in-person classes given	2
	Number of individuals in attendance for in-person classes	70
One on One	Number of individuals directly served	47
	Number of direct contact hours with participants	28

Achievements:

Currently, Trinity Habitat has 55 families in counseling. They are working to expand their financial literacy programs to all their Habitat families and the public.

Challenge:

During this reporting period, Trinity Habitat lost a primary financial counselor. They began searching to fill that position as well as a bilingual staff member to help with the program.

Success Story:

In May, Trinity hired a bilingual staff member to assist with Habitat U and prospective families. Within one month, they went from five to ten monthly classes.