

FINANCE COMMISSION OF TEXAS

AUDIT COMMITTEE MEETING

Friday, April 19, 2024
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 February 16, 2024 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' 2024 Second 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' 2024 Second 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 Activities of the Texas Financial Education Endowment Fund
- F. Discussion of the Activities of the Mortgage Grant Fund
- G. 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

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.

This page left blank intentionally.

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, February 16, 2024**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on Friday, February 16, 2024, with the following members present:

Audit Committee Members in Attendance:

Phillip Holt, Interim Chairman (Chairman, Finance Commission of Texas)
Hector Cerna
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. *(0:18 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the December 15, 2023 Audit Committee Meeting	Rosie Morris made a motion to Approve the Minutes of the December 15, 2023 Audit Committee Meeting. Hector Cerna seconded, and the motion passed.	0:35 Start of Discussion 0:46 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.	1:01 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2024 First 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’ 2024 First Quarter Investment Officer Reports. Rosie Morris seconded, and the motion passed.	2:44 Start of Discussion 5:14 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2024 First Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies’ 2024 First Quarter Financial Statements. Hector Cerna seconded, and the motion passed.	5:33 Start of Discussion 11:56 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ Fiscal Year 2024 Internal Auditor’s Risk Assessment and Audit Plan 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies’ Fiscal Year 2024 Internal Auditor’s Risk Assessment and Audit Plan. Hector Cerna seconded, and the motion passed.	12:15 Start of Discussion 29:50 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
F. 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.	30:12 Start of Discussion
G. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	31:03 Start of Discussion
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	Deferred to Executive Session. No Vote Required.	n/a

Chairman Holt called for an Executive Session at 9:01 a.m. (31:34 on audio file). The open meeting resumed at 9:15 a.m. (32:10 on audio file)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Holt adjourned the meeting at 9:15 a.m. (32:23 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

Texas Office of Consumer Credit Commissioner
Audit Activities Report
As of March 31, 2024

Auditor: <i>Garza/Gonzalez</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Internal Audit – Examinations</i>	
Findings: <i>NA</i>	Status Update: <i>To be performed in 4th quarter fiscal year 2024.</i>
<hr/>	
Auditor: <i>DIR/AT&T Cybersecurity Consulting</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Controlled Penetration Test and Web Application Vulnerabilities Scan</i>	
Findings: <i>NA</i>	Status Update: <i>Scheduled. To be performed in June 2024.</i>
<hr/>	
Auditor: <i>State Office of Risk Management</i>	Audit Report Date: <i>February 28, 2024</i>
Audit Area: <i>On-Site Consultation</i>	
Recommendation: <i>Complete the Risk, Safety, & Health Manual.</i>	Status Update: <i>The OCCC is in the final stages of completing the manual. This will be completed by May 31, 2024.</i>
<i>Risk Manual - Institutional Knowledge</i>	<i>In Progress. This will be completed by May 31, 2024.</i>
<hr/>	
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>



Risk Management Program Review Report

Office of Consumer Credit Commissioner

February 28, 2024

Conducted by:
Cynthia Stuart, Enterprise Risk Specialist





State Office of Risk Management

300 W. 15TH, AUSTIN, TEXAS 78701 / P.O. BOX 13777, AUSTIN, TEXAS 78711-3777
(512) 475-1440, FAX (512) 370-9025 / WWW.SORM.STATE.TX.US

February 28, 2024

Ms. Leslie Pettijohn
Commissioner
Office of Consumer Credit Commissioner
State Finance Commission Building
2601 North Lamar Blvd., 2nd Floor
Austin, TX 78705

Agency #466

Re: Risk Management Program Review (RMPR)

Dear Commissioner Pettijohn,

The State Office of Risk Management (SORM) conducted a Risk Management Program Review (RMPR) with the Office of Consumer Credit Commissioner at 2601 N. Lamar Blvd. on February 16, 2024. The consultation was conducted under the authority of the Texas Labor Code, Title V, Subtitle A, Chapter 412, and is designed to assist state agencies with developing and implementing comprehensive risk management programs that meet the Texas Enterprise Risk Management (TERM) guidelines.

EXECUTIVE SUMMARY

The review period covered FY20 through FY24 (Year to Date). The following individuals participated during the RMPR:

- **State Office of Risk Management (SORM)**
 - Cynthia Stuart, Enterprise Risk Specialist
- **Office of Consumer Credit Commissioner (OCCC)**
 - Mirand Diamond, Director of Licensing, Finance & Human Resources

The following SORM core mission areas were discussed:

- Workers' Compensation: OCCC experienced two workers' compensation claims during the review period FY20-FY24, these were repetitive injuries that incurred \$428.26 in medical costs. These claims were denied.

- Property: OCCC did not have any reportable property losses during the review period.
- Insurance: OCCC is currently participating in the following lines of insurance: Auto (Hired-None Owned), Property, Directors' and Officers' & Cyber Liability.

Continuity of Operations: SORM received and reviewed the OCCC Continuity of Operations Plan in FY21. Recommendations for improving the plan were provided to the agency.

Noteworthy observations made during the consultation include the following:

- OCCC has an excellent loss history and during the review period, FY20-FY24 did not experience any compensable workers' compensation claims.
- According to the strategic plan, OCCC anticipates relocating its offices. The agency will work with other agencies to purchase a parcel of land and construct a new facility. The agency has set aside cash reserves for the land and construction of the building.

The attached report includes opportunities for improving the agency's risk management program and any recommended actions.

We hope you take a moment to complete our [Customer Service Survey](#) to let us know how we did during our visit. We appreciate your feedback to help us enhance future visits to our client agencies and institutions.

Please convey my sincere appreciation to the staff at OCCC for their cooperation and assistance during the consultation. If you have any questions or concerns regarding the information detailed in this report, please contact me by either phone at 512-936-1568 or email at cynthia.stuart@sorm.texas.gov.

Sincerely,



Risk Management Consultant
Enterprise Risk Specialist
State Office of Risk Management

cc: Mirand Diamond



OBSERVATIONS AND RECOMMENDATIONS

I. GENERAL

- A.** The following items were reviewed and discussed during the RMPR.
1. Annual Report
 2. FY23-27 Strategic Plan
 3. Employees Policies & Procedures Manual
 4. Human Resources Standard Operating Procedures
 5. SORM 200 Data
 6. Risk Evaluation and Planning System Questions
- B.** The Risk Evaluations and Planning System Questions were reviewed. The questionnaire was carefully completed and provided insight into the role of risk management and how it relates to other functions in the agency.
- C.** OCCC has operated as a Self-Directed and Semi-Independent Agency (SDSI), since 2009. This status provides OCCC an advantage in responding quickly to internal and external changes, including personnel, procurements, and policy or procedure updates.
- D.** The Employee Policies & Procedures Manual was updated in May 2023 and is a comprehensive and easily understandable document. The procedures are detailed in providing guidelines for all personnel-related matters at the OCCC. Additionally, it outlines the responsibilities of the agency and its employees.
- E.** OCCC recognizes its employees as its most valuable asset and strives to create a healthy setting for staff. The Employee Policies & Procedures Manual delineates the obligations of managers, supervisors, and employees in creating a safe working environment.
- F.** The Human Resources Standard Operating Procedures was updated in May 2023 and provides the foundation for the human resources function at the agency. It gives direction on handling all personnel related matters, including the legal basis for the agency's responsibilities and actions.
- G.** The agency's return to work program is clear and concise. It provides well-defined

instructions for returning agency employees to productive meaningful work while acknowledging potential limitations due to physical restrictions.

- H. The Texas State Auditor's Office Annual Report on the Classified Employee Turnover for Fiscal Year 2023 shows OCCC's turnover rate is 12.9%. This is based on a voluntary separation rate of 10.1% and a retirement rate of 2.9%. Based on the reported headcount of 69.5 FTE, without a system to maintain institutional knowledge, employee turnover may pose a threat to the agency's core business functions if key personnel are lost due to separation or retirement. **[Recommendation #24-02-01]**
- I. Based on the agency's strategic plan, the OCCC has identified the Financial Examiner position as the most expensive position in terms of replacement costs. This is due to the time and financial investment for this classification. The agency works to address this concern through salary review to align OCCC's salary with other agencies and by recognizing other factors that could lead to separation. Recognizing the importance of this position is vital in preventing disruption to the agency's operations. **[Recommendation #24-02-01]**
- J. As the agency formalizes plans for new construction on its office building, it would be beneficial for the agency to contact SORM for insurance options related to Builder's Risk insurance. This coverage would protect the agency against damage to the building while under construction. The agency can explore options to transfer the risk in the contract to ensure the builder maintains this coverage.

II. INSURANCE

SORM reviewed and discussed OCCC participation in the SORM sponsored lines of insurance: Automobile, Property, Directors' and Officers', and Cyber Liability.

- A. Automobile: OCCC does not own a fleet of state vehicles in accordance with its duties. State business is occasionally conducted by employees operating their personally owned vehicles. The agency purchases Hired Non-Owned insurance for this exposure.
- B. Property: OCCC operations occur in the State Finance Commission Building at 2601 N. Lamar Blvd., Austin, TX 78705. The agency shares ownership of the building with the Department of Banking, and Savings and Mortgage Lending. The Department of Banking maintains Property Insurance on the building structure. OCCC owns a variety of "Contents" property in accordance with its operations. OCCC purchases insurance to cover the property contents.
- C. Directors' & Officers' and Cyber Liability: Decisions made by OCCC and the agency itself may be subject to liability claims, including employment practices liability. However, based on the nature of this kind of litigation, the quantification of this risk is complex. The agency transfers this liability risk through a Directors and Officers Liability insurance policy. The agency has a cyber endorsement to address cyber liability concerns.

III. CONTINUITY OF OPERATIONS

SORM reviewed and discussed the following Continuity of Operations considerations.

- A. Continuity Plan: The agency last submitted its Continuity Plan to SORM in FY23. The Continuity Evaluation Report issued on July 6, 2023, made no recommendations to the Agency's Continuity Plan. The next Continuity Plan submission is due on June 30, 2025.
- B. Continuity Exercise Summary: The agency last submitted its Continuity Exercise Summary to SORM in FY22. The next Continuity Exercise Summary is due to be completed, with a submitted report to SORM, by June 30, 2024.

IV. RMPR RECOMMENDATIONS

- A. During this visit, SORM discussed the following recommendations made during the previous consultation, and they are now **Closed**:

20-06-02	Policy/Procedure/Training: Emergency Action Plan (EAP) Assembly Area
20-06-03	Policy/Procedure/Training Driver Safety Training

B. The following recommendations remain **Open** from the previous consultation:

1. 20-06-01 Policy/Procedure/Training Risk Management, Safety & Health Manual

SORM recommends developing a comprehensive Risk, Safety & Health (S&H) Manual that would act as a central resource for employees and supervisors to reference risk and safety practices.

FY24 Update: The agency is in the final stages of developing the Risk Management & Safety Manual. SORM recommends the agency submit the manual to SORM for review before implementation.

Reference: SORM TERM Guidelines, Section E, Employee Safety & Health, 5.5 Manual

C. Recommendations to maintain the efficiency of your Risk Management Program from this SORM consultation include the following:

1. 24-02-01 Risk Management: Institutional Knowledge

Institutional knowledge is crucial in the context of state agencies. Staff turnover through retirement, resignation, or termination can lead to a loss of institutional knowledge, thereby affecting the operations of the organization. A huge volume of retirements poses problems for agencies because these employees possess a large amount of knowledge that may be unique to them. As older workers retire, new employees are stepping in to fill vacant positions. It is essential for employees leaving the institution to pass along the information they have gained throughout their careers. Without this transfer of knowledge, an organization may suffer lapses that impact operations, resulting in missed deadlines, fines, and training costs.

Reference: SORM, TERM (G), Section G, Entity Operation, 7.1 Human Resources, United States Office of Personnel Management, Succession Planning

V. RISK STRATEGY PLAN

Please complete the attached Risk Strategy Plan for the listed recommendations and forward them to SORM by **March 29, 2024**.

Department of Savings and Mortgage Lending

Audit Activities Report as of March 31, 2024

Auditor: *Department of Information Resources – AT&T Cybersecurity Consulting* **Audit Report Date:** *N/A*

Audit Area: *Information Resources*

Findings: *N/A* **Status Update:** *In progress. Controlled Penetration Test and Web Application Vulnerability Scan performed on February 19, 2024.*

Auditor: *Comptroller of Public Accounts* **Audit Report Date:** *N/A*

Audit Area: *Post-Payment and Procurement Audit*

Findings: *N/A* **Status Update:** *In progress. Field work began on March 18, 2024.*

Auditor: *State Office of Risk Management* **Audit Report Date:** *N/A*

Audit Area: *Risk Management*

Findings: *N/A* **Status Update:** *Scheduled. Risk Management Program Review (RMPR) to be performed on May 17, 2024.*

Auditor: *Garza/Gonzales and Associates* **Audit Report Date:** *N/A*

Audit Area: *Mortgage Grant Fund*

Findings: *N/A* **Status Update:** *Planned. Audit to be performed in FY2024.*

**Texas Department of Banking Quarterly Investment Report
December 1, 2023 to February 29, 2024**

<u>Seized Prepaid Funeral Funds Held in a Financial Institution</u>	<u>Book Value at November 30, 2023</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>Other Deductions</u>	<u>Other Additions</u>	<u>Book Value at February 29, 2024</u>	<u>Financial Institution</u>	<u>Investment Type</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		N/A	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

3/28/2024
Date

/s/ Wendy Rodriguez
Deputy Commissioner

3/28/2024
Date

**Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2023 to February 29, 2024**

<u>Book Value at November 30, 2023</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>Other Deduction(s)</u>	<u>(1) Other Addition(s)</u>	<u>Book/Market Value at February 29, 2024</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,458,746.27	\$23,913.21	\$77.89	\$0.00	\$100.00	\$1,482,681.59	--	--	\$612.40

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$750,608.31	3/1/2024	5.28%	--
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2024	5.70%	\$299.84
Texas Bank Financial, Weatherford, Texas (CD)	\$246,992.73	12/24/2024	5.375%	\$109.11
American Bank of Commerce, Wolfforth, Texas (CD)	\$245,080.55	11/23/2024	5.05%	\$203.45
Subtotal	\$1,482,681.59			

(1) Other addition contains \$100.00 restitution received from Mr. Marc Gonzalez related to Gonzalez 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.

<u> /s/ Jesse Saucillo</u> Investment Officer	<u> 3/28/2024</u> Date
<u> /s/ Wendy Rodriguez</u> Deputy Commissioner	<u> 3/28/2024</u> Date

**Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2023 to February 29, 2024**

<u>Book Value at November 30, 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 February 29, 2024</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,007,242.29	\$13,351.84	\$ 78.28			\$1,020,515.85	--	--	\$508.46

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$775,515.85	3/1/2024	5.28%	--
Spring Hill State Bank, Longview, Texas (CD)	<u>\$245,000.00</u>	5/12/2024	5.05%	\$508.46
Subtotal	\$1,020,515.85			

* 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	3/28/2024 Date
/s/ Wendy Rodriguez Deputy Commissioner	3/28/2024 Date

**Office of Consumer Credit Commissioner
Fiscal Year 2024 - 2nd Quarter**

Residential Mortgage Loan Originator Recovery Trust Fund #3008

Beginning Balance at 11/30/2023	Additions / *(Deductions)	Interest Paid	Paid Bank Fees	Ending Balance at 02/29/2024	Current Interest Rate
\$ 203,254.12	\$ 7,600.00	\$ 2,759.13	\$ (50.49)	\$ 213,562.76	5.28%

Prepared By: /s/ William Collard

Date: 03/14/2024

Investment Officer: Mirand Diamond

Date: 4/2/24

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.

Office of Consumer Credit Commissioner
Fiscal Year 2024 - 2nd Quarter

Texas Financial Education Endowment Fund #3071

	Beginning Balance at 11/30/2023	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 02/29/2024	Current Interest Rate
Cash	\$ 949,101.05	\$ 266,703.01	\$ 13,799.82	\$ -	\$ (18,470.89)	\$ (6,428.95)	\$ 1,204,704.04	5.28%
Invested Portfolio	Beginning Balance at 11/30/2023	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 02/29/2024	
Cash in Bank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Investments - STIF	423,144.99	-	901,911.57	-	-	-	1,325,056.56	
Investments - Short Term	-	-	-	-	-	-	-	
Interest & Dividends Receivable	1,544.50	-	4,588.90	-	-	-	6,133.40	
Trade Receivables	4,412.21	-	32,127.24	-	-	-	36,539.45	
Investments - Equities	791,732.03	-	58,885.84	-	-	-	850,617.87	
Investments - Alternatives	6,994,322.17	-	(284,158.15)	-	-	-	6,710,164.02	
Investments - Fixed Income	799,129.66	-	(39,938.22)	-	-	-	759,191.44	
Investments - Futures	-	-	-	-	-	-	-	
Investments - SWAPS, at Fair Value	52,746.49	-	(34,355.07)	-	-	-	18,391.42	
Total Assets-Invested Portfolio	\$ 9,067,032.05	\$ -	\$ 639,062.11	\$ -	\$ -	\$ -	\$ 9,706,094.16	
Liabilities								
Accounts Payable	\$ (41,647.83)	-	\$ 37,949.95	\$ -	\$ -	\$ -	\$ (3,697.88)	
Interest Payable	(13,008.49)	-	950.54	-	-	-	(12,057.95)	
Trade Payables	-	-	(33,909.15)	-	-	-	(33,909.15)	
Futures Contracts, at Fair Value	-	-	-	-	-	-	-	
Swaps, at Fair Value	-	-	-	-	-	-	-	
Total Liabilities	\$ (54,656.32)	\$ -	\$ 4,991.34	\$ -	\$ -	\$ -	\$ (49,664.98)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 9,012,375.73						\$ 9,656,429.18	
Total Endowment Funds	\$ 9,961,476.78						\$ 10,861,133.22	

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: 04/02/2024

Investment Officer: /s/ Mirand Diamond

Date: 4/2/24

Department of Savings and Mortgage Lending

Investment Officer Report as of February 29, 2024

Recovery Fund

	Beginning Balance 12/1/2023	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 2/29/2024
Cash & Cash Equivalents	\$5,145,173.65	22,680.00	65,577.85	(438.64)	\$5,232,992.86
Mortgage Grant Program Balance (12/31/2021)					935,489.78
Mortgage Grant Program Balance (12/31/2022)					356,479.17
Mortgage Grant Program Balance (12/31/2023)					374,186.80
Recovery Balance					\$3,566,837.11

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	3/1/2024	5.35%	\$4,982,992.86	\$730.84
Dalhart Federal Savings	CD - 24 months	10/18/2024	2.50%	250,000.00	8,663.19
				\$5,232,992.86	\$9,394.03

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: 4/1/2024

Date: 4/1/2024

Department of Savings and Mortgage Lending

Investment Officer Report as of February 29, 2024

Mortgage Grant Fund

	Beginning Balance 12/1/2023	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 2/29/2024
Cash & Cash Equivalents	\$163,977.35	(\$48,719.47)	\$2,097.97	(\$44.43)	\$117,311.42

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	3/1/2024	5.35%	\$117,311.42	\$17.21
				\$117,311.42	\$17.21

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: 4/1/2024

Date: 4/1/2024

**Texas Department of Banking
Operating Statement and Budget Analysis
For Period Ending February 2024**

	FY 2023 ACTUAL	FY 2024 BUDGET	QUARTER PERFORMANCE				FY 2024 PERFORMANCE			
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Bank & Trust Regulation	\$26,191,521	\$31,577,971	\$8,824,929	\$8,692,793	\$132,136	98.5%	\$17,622,786	\$17,588,750	\$34,036	99.8%
Penalties - Bank & Trust Regulation	0	0	0	0	0	0.0%	0	13,000	(13,000)	0.0%
Non-Depository Supervision	3,093,981	3,983,938	873,622	839,773	\$33,849	96.1%	2,223,007	2,203,995	19,012	99.1%
Penalties - Non-Depository Supervision	714,249	154,600	58,900	800	58,100	1.4%	130,800	477,631	(346,831)	365.2%
Miscellaneous Revenues	811,514	963,400	240,850	290,922	(50,072)	120.8%	481,700	540,224	(58,524)	112.1%
TOTAL REVENUES	\$30,811,266	\$36,679,909	\$9,998,301	\$9,824,289	\$174,012	98.3%	\$20,458,293	\$20,823,600	(\$365,307)	101.8%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$19,147,451	\$23,513,891	\$5,630,306	\$4,995,891	\$634,414	88.7%	\$10,742,092	\$9,891,125	\$850,967	92.1%
Employee Benefits	5,301,086	6,275,031	1,563,322	1,404,964	158,358	89.9%	\$2,988,889	\$2,752,633	236,256	92.1%
Add'l Health/Retirement	268,558	345,091	84,305	70,277	14,027	83.4%	\$160,981	\$140,543	20,439	87.3%
Other Personnel Costs	679,987	852,847	123,200	145,512	(22,312)	118.1%	230,411	286,023	(55,612)	124.1%
Subtotal Personnel Costs	\$25,397,083	\$30,986,860	\$7,401,131	\$6,616,644	\$784,487	89.4%	\$14,122,374	\$13,070,324	\$1,052,049	92.6%
Travel										
In-State	\$1,106,923	\$1,856,074	\$386,582	\$308,231	\$78,351	79.7%	\$847,264	\$640,838	\$206,426	75.6%
Out-of-State	385,574	663,055	115,018	65,360	49,658	56.8%	242,386	173,957	68,429	71.8%
Subtotal Travel	\$1,492,497	\$2,519,129	\$501,600	\$373,591	\$128,009	74.5%	\$1,089,650	\$814,795	\$274,855	74.8%
Operating Costs										
Professional Fees	\$338,359	\$632,766	\$62,872	\$62,826	\$46	99.9%	\$127,014	\$130,542	(\$3,528)	102.8%
Consumables	79,570	55,000	27,529	32,229	(4,700)	117.1%	48,819	53,839	(\$5,021)	110.3%
Office Utilities	34,247	32,670	10,163	10,853	(690)	106.8%	22,813	23,066	(\$253)	101.1%
Rent - Building/Space	430,846	497,582	125,488	126,054	(565)	100.5%	267,166	268,422	(\$1,256)	100.5%
Rent - Equipment/Other	25,705	39,516	15,160	14,810	349	97.7%	21,014	20,401	\$613	97.1%
Communications	266,617	313,761	64,345	59,674	4,672	92.7%	143,969	142,469	\$1,500	99.0%
Information Technology	591,947	709,573	139,377	139,308	69	100.0%	332,483	335,502	(\$3,019)	100.9%
Employee Training	194,505	310,509	38,460	19,379	19,081	50.4%	94,063	61,500	\$32,563	65.4%
Misc. Operating Costs	497,393	582,543	101,770	166,586	(64,816)	163.7%	209,756	257,074	(47,317)	122.6%
Subtotal Operating Costs	\$2,459,190	\$3,173,920	\$585,164	\$631,719	(\$46,555)	108.0%	\$1,267,096	\$1,292,815	(\$25,719)	102.0%
TOTAL EXPENDITURES	\$29,348,770	\$36,679,909	\$8,487,895	\$7,621,954	\$865,941	89.8%	\$16,479,120	\$15,177,934	\$1,301,185	92.1%
EXPENDITURES (OVER) / UNDER REVENUES	\$1,462,496	\$0	\$1,510,406	\$2,202,335	(\$691,929)		\$3,979,174	\$5,645,666	(\$1,666,492)	

Texas Department of Banking

Overview of Budget Variances for the Second Quarter of Fiscal Year 2024 - (Variances in excess of \$1,000 and 5% from budget are reported).

Penalties - Non-Depository Supervision – The variance is due to lower collected penalties from unlicensed money services businesses than budgeted.

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

Employee Compensation and Benefits – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of February 29, 2024 are listed below:

Administrative	13
Examiners	23

Other Personnel Costs – The negative variance is mainly due to unanticipated retirement and resignation lump sum payments.

Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$211,061	\$45,815
Development and Training	69,217	17,216
Other Regulatory Activities	24,195	2,329
Non-Employee	3,758	0
Total	\$308,231	\$65,360

In-State Travel – The positive variance is due to: (1) realized efficiencies related to examiner assignments; (2) conducting off-site examinations; (3) examiner vacancies; and (4) training related travel that did not materialize.

Out-of-State Travel – The positive variance is related to training events that were cancelled or not attended as scheduled.

Consumables – The negative variance is due to an unexpected badge printer replacement.

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

Employee Training – The positive variance is due to: (1) training events that were cancelled or not attended as scheduled and (2) courses that are no longer charged for by the training provider.

Misc. Operating Costs – The negative variance is due to: (1) the retention of unbudgeted contractors to assist with administrative operations; (2) a higher than anticipated cyber insurance expenditure; and (3) unanticipated unemployment claim payments.

TEXAS DEPARTMENT OF BANKING
Liquidity Report
For the Period Ending February 29, 2024

	Actual
Cash at Beginning of Period	\$22,298,776
Revenues Over (Under) Expenditures	2,202,335
Increase (Decrease) in Payables/Encumbrances	171,449
(Increase) Decrease in Receivables	<u>29,831</u>
Cash at End of Period	<u><u>\$24,702,391</u></u>

Reserved Cash Balance:	
Bldg. maintenance/IT	\$0
Long-term facilities planning	9,627,529
Payables (net of receivables)	2,563,932
Lump Sums for Retirements	754,926
Program Funds	0
Other	<u>0</u>
Total Reserved Cash Balance	<u><u>\$12,946,387</u></u>

Unreserved Cash Balance:	
Future Operations	<u>11,756,004</u>
Total Unreserved Cash Balance	<u><u>\$11,756,004</u></u>

Total Cash Balance	<u><u>\$24,702,391</u></u>
---------------------------	-----------------------------------

Unreserved Cash/FY2024 Monthly Budget	3.85 months
---------------------------------------	-------------

**Office of Consumer Credit Commissioner
Operating Statement and Budget Analysis
For the Quarter Ending February 29, 2024**

	FY 2023 ACTUAL	FY 2024 BUDGET	QUARTER PERFORMANCE				FY 2024 PERFORMANCE				
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET	
REVENUES											
Industry											
Consumer Lending Industry	\$ 1,906,361	\$ 2,020,130	\$ 1,462,911	\$ 1,678,159	\$ (215,248)	114.7%	\$ 1,963,164	\$ 2,153,973	\$ (190,808)	109.7%	
Credit Access Industry	782,040	824,000	495,396	826,425	(331,029)	166.8%	762,617	869,750	(107,133)	114.0%	
MVSF Industry	4,173,413	4,301,370	280,104	307,763	(27,659)	109.9%	3,732,903	3,987,821	(254,918)	106.8%	
Pawn	688,941	728,560	5,346	14,750	(9,405)	275.9%	20,322	24,222	(3,900)	119.2%	
Registered Entities	332,080	326,280	188,788	214,090	(25,302)	113.4%	266,831	303,860	(37,029)	113.9%	
Penalties	54,131	-	0	8,094	(8,094)	0.0%	0	17,463	(17,463)	0.0%	
Miscellaneous Revenue	590,162	504,000	125,950	212,618	(86,668)	168.8%	252,095	389,343	(137,248)	154.4%	
TOTAL REVENUES	\$ 8,527,130	\$ 8,704,340	\$ 2,558,495	\$ 3,261,899	\$ (703,404)	127.5%	\$ 6,997,932	\$ 7,746,431	\$ (748,500)	110.7%	
EXPENDITURES											
Personnel Costs											
Employee Compensation	\$ 4,766,803	\$ 5,219,845	\$ 1,286,435	\$ 1,257,760	\$ 28,675	97.8%	\$ 2,564,024	\$ 2,498,281	\$ 65,743	97.4%	
Employee Benefits	1,574,293	1,715,710	427,495	433,022	(5,527)	101.3%	854,276	821,032	33,244	96.1%	
Add'l Health/Retirement	71,261	78,297	19,574	18,637	937	95.2%	39,149	37,042	2,107	94.6%	
Other Personnel Costs	116,678	123,814	31,522	17,784	13,738	56.4%	61,282	33,824	27,458	55.2%	
Subtotal Personnel Costs	\$ 6,529,035	\$ 7,137,666	\$ 1,765,026	\$ 1,727,203	\$ 37,823	97.9%	\$ 3,518,731	\$ 3,390,179	\$ 128,552	96.3%	
Travel											
In-State Travel	\$ 516,923	\$ 535,500	\$ 133,875	\$ 95,065	\$ 38,810	71.0%	\$ 267,750	\$ 213,987	\$ 53,763	79.9%	
Out of State - Travel	21,361	26,500	6,625	799	5,826	12.1%	13,250	5,994	7,256	45.2%	
Subtotal Travel	\$ 538,284	\$ 562,000	\$ 140,500	\$ 95,864	\$ 44,636	68.2%	\$ 281,000	\$ 219,981	\$ 61,020	78.3%	
Operating Costs											
Professional Services & Fees	\$ 68,617	\$ 87,200	\$ 21,800	\$ 3,517	\$ 18,283	16.1%	\$ 43,600	\$ 21,369	\$ 22,231	49.0%	
Consumables	3,748	3,500	875	1,015	(140)	116.0%	1,750	2,752	(1,002)	157.3%	
Office Utilities	17,738	16,700	4,175	3,808	367	91.2%	8,350	7,026	1,324	84.1%	
Rent - Building/Space	27,261	6,274	1,000	1,330	(330)	133.0%	4,274	3,525	749	82.5%	
Rent - Equipment/Other	2,611	2,800	700	675	25	96.4%	1,400	1,350	50	96.4%	
Communications	75,387	79,700	19,925	17,861	2,064	89.6%	39,850	36,342	3,508	91.2%	
Information Technology	356,323	512,600	179,155	63,245	115,910	35.3%	270,160	153,391	116,769	56.8%	
Employee Training	11,723	26,000	6,500	0	6,500	0.0%	13,000	4,214	8,786	32.4%	
Misc. Operating Costs	226,774	269,900	67,475	72,281	(4,806)	107.1%	134,950	157,312	(22,362)	116.6%	
Subtotal Operating Costs	\$ 790,183	\$ 1,004,674	\$ 301,605	\$ 163,732	\$ 137,873	54.3%	\$ 517,334	\$ 387,282	\$ 130,052	74.9%	
TOTAL EXPENDITURES	\$ 7,857,502	\$ 8,704,340	\$ 2,207,131	\$ 1,986,799	\$ 220,332	90.0%	\$ 4,317,065	\$ 3,997,441	\$ 319,624	92.6%	
EXPENDITURES (OVER) / UNDER REVENUES	\$ 669,628	\$ -	\$ 351,365	\$ 1,275,100	\$ (923,736)		\$ 2,680,866	\$ 3,748,990	\$ (1,068,124)		

**Office of Consumer Credit Commissioner
Budget Variance Analysis
For the Quarter Ending February 29, 2024**

Revenues: Overall revenues are 111% of the budget.

Consumer Lending- Late filings fees are a primary source of the overage; however, some of variance appears to be due to timing differences. A significant number of licenses were reinstated following the expiration of the renewal period.

Credit access industry- The positive variance (14%) is mostly due to more licensees renewing than anticipated. The assessment projection assumed 92% of CABs would renew, similar to historical trends, and 98% actually renewed.

MVSF- The positive variance (7%) is due to more assessments received than anticipated, as well as timing of receipt of late filing fees. The assessment projection, based upon historical trends, underestimated the number of licensees that would renew by approximately 2% and slightly more applications have been received than originally anticipated.

Registered entities-The positive variance (14%) is due to higher than anticipated revenue collected for registered creditor and refund anticipation loan facilitators. Registered creditors renewed at a higher rate (81% actual) than anticipated (75% estimated) and more applications were received (more than 1,100) than estimated (about 750). Increased refund anticipation loan facilitators revenue is due to the timing of incoming revenue in that category.

Misc Revenue- Miscellaneous revenue is comprised primarily of interest earned on fund balances. Due to the continued heightened interest rate environment, these amounts exceeded projections.

Expenditures: Overall expenditures are 93% of the budget.

Travel- Travel expenditures are under budget 22% because of less overnight examination travel in the first half of the fiscal year. Travel expenses are expected to increase in the remainder of the fiscal year in line with projections.

Expenditure Type	In-State	Out of State	Total
	FY24	FY24	
Regulatory Supervision	148,340	-	148,340
Development & Training	64,361	5,994	70,355
Non-Employee	1,286	-	1,286
Total	213,987	5,994	219,981

Professional Services – Professional services expenditures are ~51% under budget due to lower than anticipated costs for legal, architectural, and accounting services. Expenditures related to accounting professional services are not expected until Q4.

Employee Training – Employee training expenditures are ~67% under budget due to the scheduling of certain training events and a reduced amount of reimbursable tuition costs. The total dollar amount of the variance is relatively low.

Miscellaneous Operating Costs – Miscellaneous operating expenditures are ~17% over budget due to the timing of insurance premium payments and fees for receiving electronic payments. The fees for receiving electronic payments are related to motor vehicle renewals which account for roughly half of revenue and occur at the beginning of the fiscal year. For the next budget cycle, budget amounts will be matched more appropriately to these cyclic events.

Information Technology – Information technology expenditures are ~43% under budget due to the timing and change of scope in IT projects and purchases. Certain hardware purchases and projects are in process, with costs expected in Q3 and Q4. IT costs tend to be weighted towards the second half of the fiscal year. Finally, the cost of certain network hardware was significantly lower than first budgeted after an evaluation and an alternative approach to the project.

**Office of Consumer Credit Commissioner
Liquidity Report
For the Quarter Ending February 29, 2024**

	Actual
Cash at Beginning of Period	\$ 14,916,906
Revenues Over (Under) Expenditures	\$ 1,275,100
Increase (Decrease) in Payables/Encumbrances	\$ 31,321
(Increase) Decrease in Receivables	\$ 386,208
Other source of funds (transfer)	\$ -
Cash at End of Period	<u>\$ 16,609,535</u>
Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	\$ 9,725,621
Payables (net of receivables)	\$ 708,571
Lump sums for Retirements	\$ 263,434
Program Funds	\$ -
Other	\$ -
Total Reserved Cash Balance	<u>\$ 10,697,626</u>
Unreserved Cash Balance:	
Future Operations	\$ 5,911,909
Total Unreserved Cash Balance	<u>\$ 5,911,909</u>
Total Cash Balance	<u>\$ 16,609,535</u>
Unreserved Cash / FY 2024 Monthly Budget	8.2

Department of Savings and Mortgage Lending

**Operating Statement and Budget Analysis
For the Quarter Ending February 29, 2024**

	FY2023 ACTUAL	FY 2024 BUDGET	QUARTER PERFORMANCE				FY 2024 PERFORMANCE			
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Thrift Industry										
Assessments	\$ 4,881,660	\$ 4,767,743	\$ 1,282,424	\$ 1,277,439	\$ 4,985	99.6%	\$ 2,591,346	\$ 2,576,069	\$ 15,277	99.4%
Application Fees	25,900	16,000	5,500	2,000	3,500	36.4%	6,000	2,200	3,800	36.7%
Mortgage Industry										
Licensing Fees	3,746,460	4,959,195	1,934,510	1,846,630	87,880	95.5%	4,285,645	4,192,125	93,520	97.8%
Administrative Penalties	117,160	-	-	11,965	(11,965)	0.0%	-	19,412	(19,412)	0.0%
Misc. Revenues	534,825	505,000	125,500	204,779	(79,279)	163.2%	251,000	373,660	(122,660)	148.9%
TOTAL REVENUES	\$ 9,306,004	\$ 10,247,938	\$ 3,347,934	\$ 3,342,813	\$ 5,121	99.8%	\$ 7,133,991	\$ 7,163,466	\$ (29,475)	100.4%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 5,137,826	\$ 6,347,998	\$ 1,606,624	\$ 1,392,993	\$ 213,631	86.7%	\$ 3,070,750	2,765,948	\$ 304,802	90.1%
Employee Benefits	1,589,155	1,905,784	482,452	430,845	51,607	89.3%	918,832	849,228	69,604	92.4%
Add'l Health/Retirement	71,645	93,826	23,747	19,670	4,077	82.8%	45,432	38,994	6,438	85.8%
Other Personnel Costs	217,454	106,393	26,490	24,920	1,570	94.1%	49,790	46,083	3,708	92.6%
Subtotal Personnel Costs	\$ 7,016,079	\$ 8,454,001	\$ 2,139,313	\$ 1,868,428	\$ 270,885	87.3%	\$ 4,084,804	\$ 3,700,252	\$ 384,552	90.6%
Travel										
In-State	\$ 112,501	\$ 108,000	\$ 30,000	\$ 28,663	\$ 1,337	95.5%	\$ 60,000	69,166	\$ (9,166)	115.3%
Out-of-State	15,297	42,000	1,500	1,366	134	91.1%	12,000	3,536	8,464	29.5%
Subtotal Travel	\$ 127,797	\$ 150,000	\$ 31,500	\$ 30,030	\$ 1,470	95.3%	\$ 72,000	\$ 72,702	\$ (702)	101.0%
Operating Costs										
Professional Fees	\$ 72,408	\$ 90,039	\$ 4,980	\$ 4,294	\$ 686	86.2%	\$ 35,739	32,875	\$ 2,864	92.0%
Consumables	6,532	8,500	1,750	945	805	54.0%	4,250	3,773	477	88.8%
Office Utilities	14,574	13,114	3,150	3,328	(178)	105.7%	6,330	5,938	392	93.8%
Rent - Space & Equipment	6,882	11,500	6,000	5,630	370	93.8%	8,000	6,581	1,419	82.3%
Communications	93,889	100,365	17,973	17,416	557	96.9%	64,518	63,178	1,340	97.9%
Information Technology	241,521	336,210	89,850	82,399	7,451	91.7%	134,310	124,914	9,396	93.0%
Employee Training	31,604	68,000	20,500	17,535	2,965	85.5%	34,000	26,967	7,033	79.3%
Misc. Operating Costs	112,081	140,483	30,710	26,300	4,410	85.6%	55,708	46,599	9,109	83.6%
Subtotal Operating Costs	\$ 579,491	\$ 768,211	\$ 174,913	\$ 157,846	\$ 17,067	90.2%	\$ 342,855	\$ 310,824	\$ 32,031	90.7%
TOTAL EXPENDITURES	\$ 7,723,367	\$ 9,372,212	\$ 2,345,726	\$ 2,056,303	\$ 289,422	87.7%	\$ 4,499,659	\$ 4,083,778	\$ 415,881	90.8%
EXPENDITURES (OVER)/ UNDER REVENUES	\$ 1,582,637	\$ 875,726	\$ 1,002,208	\$ 1,286,510	\$ (284,302)		\$ 2,634,332	\$ 3,079,688	\$ (445,356)	

Department of Savings and Mortgage Lending

Budget Variance Analysis

For the Quarter Ending February 29, 2024

Revenues: Overall revenues are 0.4% over budget.

Thrift Application Fees – Amounts collected are 36.7% of budget due to lower application activity year-to-date.

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

Expenditures: Overall expenditures are 9.2% under budget.

Personnel Costs – The category is 9.4% under budget due to unfilled vacancies.

Travel – Travel costs incurred are 1% over budget, due to higher volume of travel to the exam locations and training events.

Travel Breakdown 2nd Qtr FY24			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$42,131.61	\$0.00	\$42,131.61
Development and Training	25,359.44	3,535.76	28,895.20
Other Regulatory Activities	309.37	0.00	309.37
Non-Employee Travel	1,365.99	0.00	1,365.99
Total	\$69,166.41	\$3,536.76	\$72,702.17

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 16.4% under budget due to lower than budgeted costs for maintenance and repairs of the building, and other contracted services.

Department of Savings and Mortgage Lending

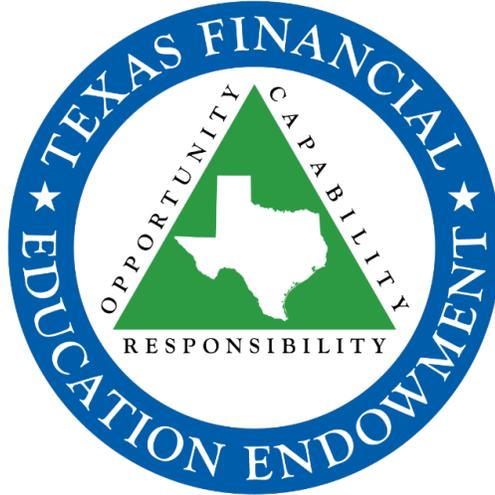
Liquidity Report For the Quarter Ending February 29, 2024

	ACTUAL
Cash at Beginning of Period	\$ 14,540,014
Revenues Over (Under) Expenditures	1,286,159
Increase (Decrease) in Payables	43,252
(Increase) Decrease in Receivables	64,699
Cash at End of Period	<u>15,934,124</u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	9,892,370
Payables (net of receivables)	684,191
Lump Sums for Retirements	144,602
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 10,721,163</u>
Unreserved Cash Balance:	
Future Operations	\$ 5,212,962
Total Unreserved Cash Balance	<u>\$ 5,212,962</u>
Total Cash Balance	<u>\$ 15,934,124</u>
Unreserved Cash/FY2024 Monthly Budget	6.67 months

F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund

The last reimbursements for the 2022-2023 grant cycle are being finalized and the semi-annual report is included in the packet. Requested reimbursements as of March 31st equal \$398,715.30, which is 97.5% of the 2022-2023 total award amount. Additionally, TFEE staff have met virtually with the majority of grantees to welcome them to the 2024-2025 grant program and provide any needed assistance. These welcome sessions have been well-received by all participants and similar meetings are scheduled with the remaining grantees.

The Grant Coordinator recently visited with Pockets Change staff at a Houston area high school where this new grantee introduced students to “Hip Hop FinFest”, which is a rap song competition and concert where students have the opportunity to win prizes, perform, and have their voices heard about the important topic of money. Additionally, staff are working with Region One Education Service Center in South Texas to promote a financial education summit for educators scheduled for this summer.



2022-23 Grant Cycle

SEMI-ANNUAL REPORT No. 4

July 1, 2023 – December 31, 2023

Table of Contents

Grant Administration3

2022-2023 Grant Summary.....4

Austin Community College.....5

Building Financial Capacity Coalition6

Easter Seals of Greater Houston7

Family Service Association of San Antonio8

FoolProof Foundation9

Foundation Communities.....10

Girl Scouts of Northeast Texas11

Goodwill Central Texas12

Houston Area Women’s Center.....13

Metrocrest Services14

Prison Entrepreneurship Program.....15

RAISE Texas.....16



Grant Advisory Committee

Laura Rosen, Consumer Advocate Representative
 Roselyn Morris, Finance Commission Representative
 Andrea Herrera, 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

2022-2023 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 Service 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 fourth reporting period (July 1, 2023 – December 31, 2023), grant funds were used to provide more than 12,000 hours of direct financial education training to over 5,300 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, & 3¹	\$342,779.28
Reimbursement Requests No. 4 (July 1, 2023 – December 31, 2023)	
Austin Community College	\$1,855.00
Building Financial Capacity Coalition	\$7,500.00
Easter Seals of Greater Houston	\$10,000.00
Family Service Association of San Antonio	\$15,643.29
FoolProof Foundation	\$0.00
Foundation Communities	\$1,218.74
Girl Scouts of Northeast Texas	\$6,959.68
Goodwill Central Texas	\$8,391.57
Houston Area Women’s Center	\$3,430.27
Metrocrest Services	\$0.00
Prison Entrepreneurship Program	\$937.47
RAISE Texas	\$0.00
Total Requested Amount for Reimbursement No. 4:	\$55,936.02
Total Requested Amount to Date:	\$398,715.30
% of Funds Expended to Date:	97.5%
Amount of Funds Remaining	\$10,284.70

¹ Amount is \$1881.57 lower than previously reported due to a duplication error.

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 (GMP) 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: \$1,855 | TOTAL REIMBURSED YTD: \$40,000



Program Update

The GMP demonstrated exceptional achievement with the completion of three cohorts consisting of 70 carefully selected participants, all of whom successfully finished the program. These participants took key steps toward building credit, reducing debt, and increasing awareness of consumer credit issues. In fact, eight students from cohort three reported increased feelings of wellbeing and/or knowledge gained six months after program completion, as reported on the follow-up CFPB scale.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 2 Racial Wealth Gap Forums were delivered in the Fall semester

Major Achievements

- 77% of students demonstrated a knowledge gain documented by post-test scores
- Recruiting former GMP participants as work study students contributed to program success

Biggest Challenges

- None 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: \$30,000



Program Update

During the final reporting period, BFCC continued to provide financial education through both in-person sessions and via its web presence. Their October Train-the-Trainer sessions hosted 70 students and six teachers from Brownsville ISD, as well as 16 students and four teachers from Harlingen Consolidated ISD. Additionally, BFCC's online content was shared with more than 25,000 students in the Brownsville, Harlingen Consolidated, and La Feria ISDs. Annual summits and several training workshops are scheduled for the spring of 2024.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 86 students and 10 teachers attended Train-the-Trainer sessions
- BFCC expanded its focus from high school seniors to entire high school populations via the web

Major Achievements

- 365 hours of direct financial education training and instruction were provided
- BFCC's program has been shared with McAllen ISD
- 12 students from La Feria ISD are planning to provide financial education to elementary students

Biggest Challenges

- Significant time is required for district administrators to oversee and organize BFCC events

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: \$40,000



Program Update

Easter Seals continued to serve record numbers of participants, including low-income people with disabilities and low-income military families during the final reporting period. Hybrid services increased the program's accessibility and its reach to lower income families by eliminating transportation time and costs, as well as logistical barriers related to childcare.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 87 participants established or raised credit scores
- 6 participants established or increased savings
- 33 participants reduced the use of consumer loan products and/or other debt

Major Achievements

- 180 individuals were served through 1,720 hours of direct contact

Biggest Challenges

- Challenging economic conditions led to increased attendance at financial coaching classes

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: \$15,643.29 | TOTAL REIMBURSED YTD: \$40,000



Program Update

In the second half of 2023, FSA provided over 6,000 counseling sessions, impacting the stability of low-income families in measurable ways. The organization has learned that retention and multiple financial counseling sessions are key to participant success in achieving goals; thus, they increased per person session rates from three to 4.8. FSA also continued to have strong programmatic achievement with participants seeing high outcomes in a relatively short period of time.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 320 participants increased their credit scores by an average of 35%
- 31 participants established or increased their savings by an average of \$502.00

Major Achievements

- 35 participants received pre-homeownership counseling, and 2 individuals purchased a home
- 31 participants saved 2% of their annual income
- 412 participants reduced their debt by 10%

Biggest Challenges

- High demand for financial counseling services necessitates the expansion of FSA's counselor pool

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 under-served 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 (July 1, 2023 – December 31, 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: \$1,218.74 | TOTAL REIMBURSED YTD: \$20,000



Program Update

In the final reporting period, FC continued to provide expertise, support, and resources which expanded access and opportunities for an additional 253 clients, 57% of whom made progress toward or completed self-identified financial goals. In Rent Reporting, 119 new residents were enrolled, and the nonconformance issue in the Rent Reporting software was mostly resolved. Therefore, most of the enrolled residents' rental data is now being reported to the three major credit bureaus. During the period, FC also hired a Financial Case Manager and two Benefits Specialists.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 119 residents enrolled in the Rent Reporting program
- Distributed surveys to residents of Rent Reporting properties to understand financial goals

Major Achievements

- 2 additional communities joined the Rent Reporting program
- 170 clients were served through 174 hours of direct contact

Biggest Challenges

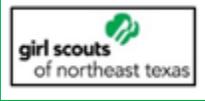
- Dividing cumulative credit score data into specific time periods for funder reporting purposes

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: \$6,959.68 | TOTAL REIMBURSED YTD: \$40,000



Program Update

During the reporting period, GSNETX provided several interactive workshops and simulations to enhance financial literacy and entrepreneurship skills for over 40 service units. Activities focused on areas where Girl Scouts sought and genuinely required support and growth, such as in formulating business plans for cookie enterprises, establishing SMART goals, and budgeting for troop activities. Focused activities with 20-25 minute durations have proven to enhance participation and understanding and were replicated at all sessions.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- Program improvements based on quantitative/qualitative data and feedback continued
- Peer-to-peer learning occurred as girls shared financial experiences and insights with each other

Major Achievements

- 30 teachers/volunteers were directly trained and reached 2,871 students
- 160 hours of direct contact were provided to program participants

Biggest Challenges

- Challenges related to meeting intended implementation of New Troops Cookie Rally activities were addressed by providing supplies and robust support

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: \$8,391.57 | TOTAL REIMBURSED YTD: \$33,923.14*



** Amount is \$1881.57 lower than previously reported due to a duplication error.*

Program Update

In the last half of 2023, Goodwill served 40 individuals through the Good Match Program, more than half of whom were continuing their contributions from the previous reporting period. Staff conducted workshops tailored to improve financial literacy, budgeting skills, and long-term savings habits. Staff used interactive technology solutions, such as mobile apps and on-line platforms, to engage participants in a dynamic and user-friendly manner. These tools provided real-time feedback, as well as goal tracking, and educational content. Participating team members expressed gratitude and gave positive feedback about the program, with many specifically mentioning appreciation for assistance provided by Career Coaches.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 24 participants completed budgets with a Goodwill Financial Literacy Trainer
- 26 participants made a budget and established or increased savings by an average of \$57

Major Achievements

- 40 individuals were directly served through 24 hours of direct contact and courses
- 1 participant reached his financial goal of saving \$10,000

Biggest Challenges

- Reduced enrollment, high employee turn-over, and lack of tech savviness on the part of participants contributed to lower than anticipated payout of grant funds

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: \$3,430.27 | TOTAL REIMBURSED YTD: \$38,915.82



Program Update

During the reporting period, HAWC provided financial coaching to 86 clients, with 14% reaching their financial goals and 100% increasing their knowledge on aspects of financial independence and stability. HAWC hired a new bilingual Case Manager in December who has been working to support, guide, and coach clients toward financial stability. The organization continued networking efforts, which proved beneficial in moving clients forward economically. Additionally, HAWC is preparing to launch a Match Savings program to incentivize clients paying themselves first.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 12 participants reached a financial goal, and 136 participants increased their financial knowledge
- 21 participants established or increased savings

Major Achievements

- Providing financial assistance for client education has enabled clients to engage in vocational training and comply with employment requirements (such as work attire)

Biggest Challenges

- Staff turnover has been a challenge, but a new bilingual Case Manager was recently hired

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 (July 1, 2023 – December 31, 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: \$937.47 | TOTAL REIMBURSED YTD: \$40,000



Program Update

In the fourth reporting period, PEP held an eSchool graduation ceremony in Houston. The audience included volunteers as well as clients' family members and loved ones (which helps with reunification). PEP has seen the use of ceremony to commemorate occasions as effective in giving participants much needed "wins under their belts". PEP has increased the opportunities for sharing of peer-to-peer success stories, capturing some of these on video to increase program reach. Successful clients also shared missteps in an effort to help current clients become aware of both what is possible and what to avoid.

Reporting Period Update (July 1, 2023 – December 31, 2023)

Program Activities

- 486 hours of direct contact were provided to clients through 43 financial education courses
- 68 participants established or raised credit scores, and 57 established or increased savings

Major Achievements

- 58 clients graduated from Houston's eSchool program

Biggest Challenges

- PEP has added more pre-release initiatives to build program awareness for potential clients

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 (July 1, 2023 – December 31, 2023)

Program Activities

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

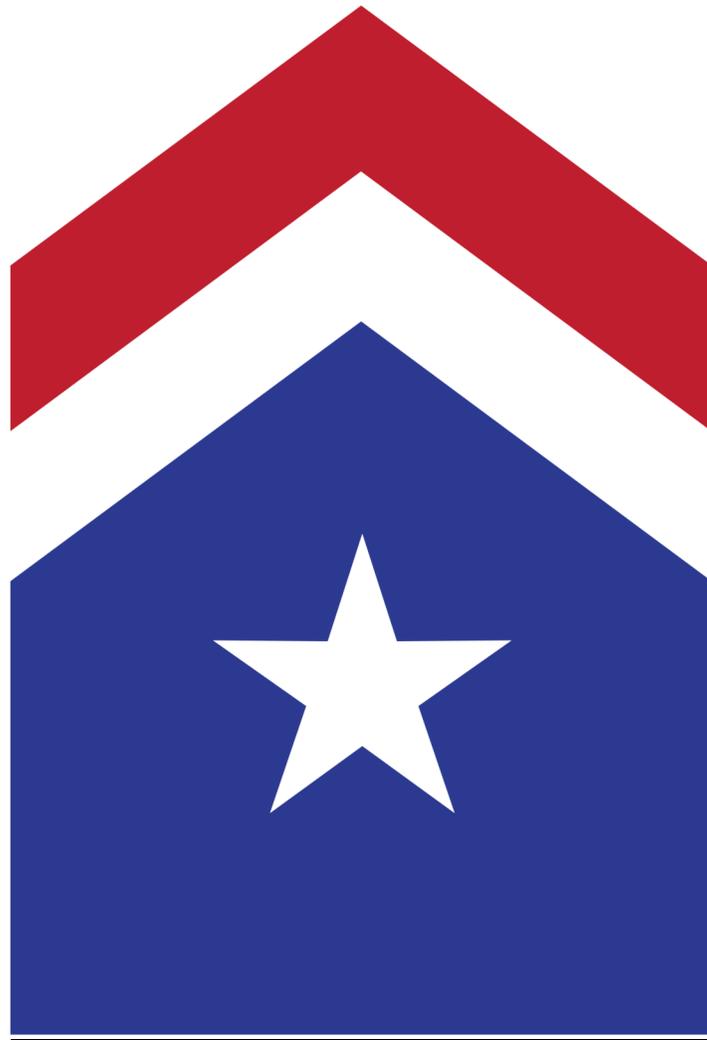
Major Achievements

- 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.

This page left blank intentionally.



2023 – 2024 GRANT CYCLE
SEMI-ANNUAL REPORT No. 2

JULY 1, 2023 – DECEMBER 31, 2023



Mortgage Grant Fund

Contents

Mortgage Grant Advisory Committee	3
Grant Coordinator.....	3
2023 – 2024 MGF Grant Recipients.....	3
Summary	4
Funds Disbursed to Date:	4
Brazos Valley Affordable Housing Corporation (BVAHC).....	5
Credit Coalition	6
Foundation Communities	7
Galilee Community Development Corporation	8
Grassroots Community Development.....	9
Habitat for Humanity of Camp County	10
Houston Habitat for Humanity	11
Habitat for Humanity of Jefferson County.....	12
Habitat for Humanity of San Antonio, Inc.	13
Fort Worth Area Habitat for Humanity, Inc. DBA Trinity Habitat for Humanity	14

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 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 10 organizations an aggregate amount of \$576,176.00 in funds for program activities related to the 2023 – 2024 grant cycle.

During the second reporting period (July 1, 2023 – December 31, 2023), the Grantees met and/or exceeded their objective goals to support mortgage financial literacy and financial counseling.

Funds Disbursed to Date:

Amount Awarded for the 2023-2024 Grant Cycle:	\$576,176.00
Total Reimbursed from First Reimbursement Request:	\$122,186.62
Reimbursement Requests (July 1, 2023 – December 31, 2023)	
Brazos Valley Affordable Housing	\$ 21,796.09
Credit Coalition	\$ 792.37
Foundation Communities	\$ 9,389.80
Galilee Community Development	\$ 6,311.29
Grassroots Community Development	\$ 10,299.85
Habitat for Humanity Camp County	\$ 5,426.87
Houston Habitat for Humanity	\$ 11,560.00
Habitat for Humanity of Jefferson County	\$ 10,227.08
Habitat for Humanity of San Antonio	\$ 54,835.00
Fort Worth Area Habitat for Humanity	\$ 17,417.59
Total Requested for Reimbursement:	\$ 148,05.94
Total Requested Amount to Date:	\$270,242.56
% of Funds Expended to Date:	53%
Amount of Funds Remaining:	\$305,933.44

Brazos Valley Affordable Housing Corporation (BVAHC)

BVAHC serves Brazos, Leon, Burleson, 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

Second Reporting Period (July 1, 2023 – December 31, 2023)

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:

- 200 clients continue to build their savings accounts
- 200 clients increased their credit scores through education in credit literacy.
- 2 new part-time staff were hired to meet the demands of financial counseling.

Challenges:

Within their geographic area, properties continue to be purchased above market value, some with cash. Additionally, increased interest rates have raised economic barriers. As a result, clients with homeowners savings that were built during the Financial Fitness Center program are unable to find homes within their budget.

In response, BVAHC continues to provide financial support until clients overcome these setbacks and purchase their first home. Additionally, the organization is refining the program to further advance its mission, meeting with other organizations to brainstorm ways to create affordable homes for first-time homebuyers within their geographic area.

Success Story:

The support of the MGF program has strengthened the organization's capabilities to meet the needs of the community. BVAHC hired two part-time staff to provide one-on-one financial counseling on evenings and weekends, accommodating participants' busy lives.

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.

Credit Coalition offers 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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Online Class	Number of online classes hosted	4
	Number of individuals in attendance with online classes	233
In-Person Class	Number of in-person classes given	3
	Number of individuals in attendance for in-person classes	65
One on One	Number of individuals directly served	6
	Number of direct contact hours with participants	26

Achievements:

- 4 FOGC class series (a total of 15 hours)
- 3 classes of Life as a Homeowner (4 hours)
- 12 families received one-on-one pre-purchase counseling.

Challenges:

Credit Coalition strove to increase classroom presence by creating a hybrid class with in-person participants and Zoom participants. However, in-person attendance remained low. Recent feedback shows that participants prefer virtual classes, and Credit Coalition is addressing the topic.

Additionally, Credit Coalition continues efforts to increase their media presence for 2024.

Success Story:

During their first hybrid class, the classroom lost its internet connection. To complete the hybrid class, the quick-thinking instructor signed into the Zoom meeting via phone connection. The virtual students, still connected on Zoom, were able to hear the remainder of the presentation. All students — virtual and in-person — completed the class that day.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

In-Person Class	Number of in-person classes given	2
	Number of individuals in attendance for in-person classes	50
One on One Financial Counseling	Number of individuals directly served	348
	Number of direct contact hours with participants	473
	Number of participants who established or raised credit score	4
	Average credit score increases (%)	10%
	Number of participants who established or increased savings	4
	Average increase in savings (\$)	N/A

Achievements:

Since FC began their credit reporting program for their residents, 60 percent of the participants saw an increase in their credit scores, and another 7 percent established a credit history — thus, a credit score. Practicing the first steps of financial literacy, participants continue to strive toward their goal of purchasing their first home.

Challenges:

Participating residents experienced additional financial challenges as a result of discontinued government-assisted pandemic programs and increased inflation. FC adjusted their program goals to help restructure residents' budgets in response to the challenges.

Success Story:

Foundation Communities expand their financial education program by hiring a Financial Case Manager to provide one-on-one financial counseling to residents that struggle with debt management.

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: a) revitalizing blighted neighborhoods; b) producing single-family and multi-family housing; c) engaging in new construction; d) rehabilitating and repairing homes; e) removing artificial barriers and prejudices in housing opportunities; f) preparing households for the transition from renters to buyers to owners; g) 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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Online Class	Number of online classes hosted	4
	Number of individuals in attendance with online classes	11
In-Person Class	Number of in-person classes given	5
	Number of individuals in attendance for in-person classes	37
One on One	Number of individuals directly served	5
	Number of direct contact hours with participants	5

Achievements:

In this reporting period, Galilee CDC saw a 16 percent increase of participants. Of those individuals, 21 attended two or more classes, and five participated in 1:1 counseling.

Challenges:

Initially, Galilee CDC used the Eventbrite platform to promote their financial education classes. Unfortunately, the platform resulted in inaccurate counts of registrants. Since Galilee CDC discontinued the use of Eventbrite, they have a lower participation rate; however, the newly implemented registration process provides more accurate counts of registrants.

Success Story:

Galilee CDC continues to partner with organizations within the community such as Jeremiah Plan Transitional Housing Program (JP). One participant attended all of the financial classes, then implemented the skills she learned. As a result, she purchased her first home in August 2023.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Online Class	Number of online classes hosted	5
	Number of individuals in attendance with online classes	46
One on One	Number of individuals directly served	163
	Number of direct contact hours with participants	265

Achievements:

This reporting period, 125 families graduated from financial literacy classes, a 58% increase in graduates from the first reporting period. This is yet another goal Grassroots achieved and exceeded.

Challenges:

Grassroots' programs are geared toward financial wellness, specifically mortgage financial literacy. Participants develop skills and confidence to navigate the home purchase process without Grassroots' continued counseling. As a result, the organization lacks knowledge to tailor their programs to better suit the communities' needs. Grassroots seeks feedback by implementing the use of post-program anonymous satisfaction surveys (in addition to their existing surveys).

Success Story:

Grassroots partnered with La Puerta to provide financial education in Spanish. They recruited local professionals to assist financial education in that language. Fifteen families — an astounding number for the initial class — attended financial literacy classes in their primary language.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

One on One	Number of individuals directly served	12
	Number of direct contact hours with participants	10

Achievements:

Habitat Camp County has completed the remodeling and furnishing of the building. They now have larger classrooms and private workstations for 1:1 counseling. The organization created a committee to fully utilize the MGF grant program, improving service in their community and surrounding areas.

In December, the committee hosted a three-hour financial literacy seminar, which included speakers from the community that are credit literate. The seminar presented the building and maintaining credit; and improving a credit score.

Challenges:

A number of Habitat Camp County's volunteers, as well as the Director, enrolled in a program to become HUD Certified Housing Counselors with the original goal of certification by the end of 2023. However, the organization's focus on other financial literacy activities delayed enrollees to meet that goal. They project to become certified by the end of February 2024.

Success Story:

Habitat Camp County's efforts to expand their financial literacy program have resulted in three families that have signed up to become homeowners through the Habitat for Humanity program.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Train the Trainer New Curriculum	Number of individuals directly trained through program	3
	Number of participants reached through trained individuals	32
	Number of direct contact hours with the participants	80
One on One Financial Counseling	Number of individuals directly served	61
	Number of direct contact hours with participants	691
	Number of participants who established or raised credit score	26
	Average credit score increases (%)	2%
	Number of participants who established or increased savings	45
	Average increase in savings (\$)	\$ 2,500.00

Achievements:

Houston Habitat is building relationships with community members through outreach efforts on Facebook and within the Hispanic communities.

Since last reporting period, hours of direct credit counseling have increased by 90%, and 73 percent of participants established credit and credit scores. There is also an increased participant rate for sessions that are presented in Spanish.

Challenges:

Of their three employees, one completed training and became certified as a credit counselor in December 2023. With the growth of the Habitat program, the other two employees' training was put on hold. Currently, they have completed their training and are scheduled to take the rigorous exam in April.

Success Story:

By the end of 2023, Houston Habitat successfully educated and counseled 26 families and helped them accomplish their goal to becoming homeowners.

Habitat for Humanity of Jefferson County

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

Most 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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Online Class	Number of online classes hosted	6
	Number of individuals in attendance with online classes	20
One on One	Number of individuals directly served	5
	Number of direct contact hours with participants	6

Achievements:

Since completing updated literacy modules, Habitat Jefferson County held their first literacy class via Zoom from September – November 2023. Their curriculum provided information about debt management; Texas law; programs that offer downpayment and closing costs assistance; and the preparation of homes to withstand natural disasters, which are prevalent in their area.

Challenges:

When updating their financial curriculum, the organization created detailed training modules with an amount of information that may overwhelm some participants.

For 2024, their goal is to continue to fine-tune their modules and to create additional visual presentations to enhance their inclusive financial literacy program.

Success Story:

Their first literacy class began with 20 registrants, a tremendous number of students for a first class. Five participants completed the program.

The MGF award allowed the organization to seek additional grants in surrounding areas to provide various types of financial education.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

In- Person Class	Number of in-person classes given	1
	Number of individuals in attendance for in-person classes	8
One on One	Number of individuals directly served	32
	Number of direct contact hours with participants	64

Achievements:

Habitat San Antonio completed its one-year grant program to create the Habitat 101 program, their first bilingual financial program. The program includes videos, curriculum, and a workshop in both Spanish and English. Habitat San Antonio met their goal of customizing the program for families with low incomes interested in homeownership and better financial outcomes.

Challenges:

Between high staff turnover and economic inflation, there were some challenges to complete the Habitat 101 project within a year. Habitat San Antonio's budget had increased due to inflation.

The Commissioner authorized additional funds to Habitat San Antonio, enabling the organization to successfully complete all their objectives of the MGF program.

Success Story:

Habitat San Antonio hosted their first Habitat 101 class and scheduled monthly bilingual seminars, both in person and virtually.

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

Second Reporting Period (July 1, 2023 – December 31, 2023)

Program Activities:

Online Class	Number of online classes hosted	36
	Number of individuals in attendance with online classes	310
In-Person Class	Number of in-person classes given	8
	Number of individuals in attendance for in-person classes	131
One on One	Number of individuals directly served	93
	Number of direct contact hours with participants	156

Achievements:

After Trinity Habitat hired a person to teach classes in Spanish, participation increased by 98 percent. With the bilingual staff member, the organization can add in 1:1 counseling in Spanish.

Challenges:

Their program is growing quickly, and Trinity Habitat needs information to improve their class curriculum. The implementation of post class surveys provides valuable information, and Trinity Habitat is adjusting class curriculum to further meet the needs of the community.

Success Story:

This reporting period the organization educated more than 100 families graduated from Habitat University. Ninety-three families received additional education through 1:1 counseling.