

**MINUTES OF THE  
FINANCE COMMISSION MEETING  
Friday, August 16, 2024**

The Finance Commission of Texas convened at 10:25 a.m., on August 16, 2024, with the following members present:

**Finance Commission Members in Attendance:**

Phillip Holt, Chairman	Kathleen Fields	Roselyn “Rosie” Morris
Laura Warren, Vice Chairman	Martin “Marty” Green	David Osborn
Bob Borochoff	Troy Lambden	Miguel Romano, Jr.
Hector Cerna	Sharon McCormick	

Commissioner Charles G. Cooper announced there was a quorum with 11 members present. *(0:34 on audio file)*.

Chairman Holt recognized former Finance Commission members Will Lucas, Cliff McCauley and Vincent Puenta for their service to the state of Texas and the Finance Commission of Texas. *(1:00 on the audio file)*. Chairman Holt adjourned the meeting of the Finance Commission for a short recess at 10:30 a.m., and the open meeting resumed at 10:35 a.m. *(3:47 on audio file)*.

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<b>A. Finance Commission Matters</b>		
1. Review and Approval of the Minutes of the June 21, 2024 Finance Committee Meeting	<b>On Consent Agenda – Item A1</b> This item Approved on the Consent Agenda.	n/a
2. General Public Comment	Andrew Moon, CEO, Panacea Lending, LLC, testified on payoffs for property tax lenders.  No Action Required.	4:28 Start of Discussion
3. Consent Agenda – Items A1, A8, A9, B2, B3, C2-C5, and D3	Laura Warren made a motion to Approve Consent Agenda items A1, A8, A9, B2, B3, C2-C5, and D3. Marty Green seconded, and the motion passed.	9:04 Start of Discussion  9:28 Vote
4. Finance Commission Operations	No Action Required.	9:44 Start of Discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2024 Third Quarter Investment Officer Reports	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies’ 2024 Third Quarter Investment Officer Reports for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking passed.	10:44 Start of Discussion
1. Office of Consumer Credit Commissioner		10:56 Vote
2. Department of Savings and Mortgage Lending		
3. Texas Department of Banking		

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<p>B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for:</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Texas Department of Banking</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking passed.</p>	<p>11:09 Start of Discussion</p> <p>11:21 Vote</p>
<p>C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2024 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Texas Department of Banking</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2024 Third Quarter Financial Statements passed.</p>	<p>11:34 Start of Discussion</p> <p>11:42 Vote</p>
<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2025 Operating Budgets</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Texas Department of Banking</li> </ol>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's Fiscal Year 2025 Operating Budgets.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Fiscal Year 2025 Operating Budget passed.</p> <p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Fiscal Year 2025 Operating Budget passed.</p>	<p>11:53 Start of Discussion</p> <p>12:03 Vote</p> <p>12:27 Vote</p> <p>12:47 Vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates for Fiscal Year 2025</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates for Fiscal Year 2025 passed.</p>	<p>13:01 Start of Discussion</p> <p>13:10 Vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>13:23 Start of Discussion</p> <p>13:37 Vote</p>

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<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending’s 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending’s 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>13:50 Start of Discussion  14:03 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking’s 2024 Trust Examinations Report and Follow-Up on Prior Year Recommendations as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking’s 2024 Trust Examinations Report and Follow-Up on Prior Year Recommendations as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>14:18 Start of Discussion  14:33 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking’s 2024 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking’s 2024 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.</p>	<p>14:46 Start of Discussion  14:56 Vote</p>
<p>J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending’s Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 51.402(c)</p>	<p>Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending’s Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 51.402(c) passed.</p>	<p>15:09 Start of Discussion  15:21 Vote</p>
<p>6. Strategic Planning Committee Report</p>		
<p>A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Finance Commission of Texas 2025-2029 Strategic Plan</p>	<p>Coming upon Recommendation from the Strategic Planning Committee, no second is required and the motion to Approve the Finance Commission of Texas 2025-2029 Strategic Plan passed.</p>	<p>15:48 Start of Discussion  17:54 Vote</p>

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<p>7. Discussion of and Possible Vote to Take Action on the Agency Priorities for Fiscal Year 2025 for the Commissioners of the Agencies of the Finance Commission of Texas</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Texas Department of Banking</li> </ol>	<p>Marty Green made a motion to Approve the Agency Priorities for Fiscal Year 2025 for the Commissioner of the Office Consumer Credit Commissioner. Laura Warren seconded, and the motion passed.</p> <p>Sharon McCormick made a motion to Approve the Agency Priorities for Fiscal Year 2025 for the Commissioner of the Department of Savings and Mortgage Lending. Troy Lambden seconded, and the motion passed.</p> <p>David Osborn made a motion to Approve the Agency Priorities for Fiscal Year 2025 for the Commissioner of Texas Department of Banking. Kathleen Fields seconded, and the motion passed.</p>	<p>18:17 Start of Discussion</p> <p>19:59 Vote</p> <p>20:20 Vote</p> <p>20:41 Vote</p>
<p>8. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 1, Chapter 9, §§ 9.1 and 9.12, Concerning Rules of Procedure for Contested Hearings, Appeals and Rulemakings</p>	<p><b>On Consent Agenda – Item A8</b>          This item Approved on the Consent Agenda.</p>	<p>n/a</p>
<p>9. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 1, Chapter 10, § 10.40, Concerning Contract Procedures</p>	<p><b>On Consent Agenda – Item A9</b>          This item Approved on the Consent Agenda.</p>	<p>n/a</p>
<p>10. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff</p>	<p>No Discussion.</p>	<p>n/a</p>
<p>11. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property</p>	<p>No Discussion.</p>	<p>n/a</p>

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12. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-client Privileged Communications from our Attorneys, Including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation	No Discussion.	n/a
13. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code	No Discussion.	n/a
14. Discussion of Matters Made Confidential by Law Pursuant to § 551.0811, Texas Government Code, including Information Relating to the Financial Condition or Business Affairs of a Financial Institution	No Discussion.	n/a
<b>B. Office of Consumer Credit Commissioner</b>		
1. Industry Status and Departmental Operations: a) Consumer Protection and Assistance Division Activities; b) Licensing Division Activities; c) Administration Division Activities; d) Financial Division Activities; e) Legal Division Activities; and f) Legislative Activities	No Action Required.	21:15 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 5, Chapter 86, Concerning Retail Creditors	<b>On Consent Agenda – Item B2</b> This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales, Resulting from Rule Review	<b>On Consent Agenda – Item B3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 5, Chapter 84, Concerning Motor Vehicle Installment Sales, Resulting from Rule Review. Sharon McCormick seconded, and the motion passed.	35:41 Start of Discussion  43:38 Vote

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5. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <i>Ernest Polk v. Texas Office of Consumer Credit Commissioner; Cause No. 01-22-00712-CV</i> , in the First Court of Appeals, Houston, Texas	No Action Required.	n/a
<b>C. Department of Savings and Mortgage Lending</b>		
1. Industry Status and Departmental Operations: a) Thrift Regulation Division Activities; b) Mortgage Regulation Division Activities; c) Operations Division Activities; d) Legal Division Activities, including Consumer Complaints and Gift Reporting; e) Legislative Activities	No Action Required.	44:08 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 4, Chapter 78, Concerning Wrap Mortgage Loans, Resulting from Rule Review	<b>On Consent Agenda – Item C2</b> This item Approved on the Consent Agenda.	n/a
3. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 4, Chapter 79, Concerning Residential Mortgage Loan Servicers, Resulting from Rule Review	<b>On Consent Agenda – Item C3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 4, Chapter 80, Concerning Residential Mortgage Loan Companies, Resulting from Rule Review	<b>On Consent Agenda – Item C4</b> This item Approved on the Consent Agenda.	n/a
5. Discussion of and Possible Vote to Take Action on the Readoption of 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators, Resulting from Rule Review	<b>On Consent Agenda – Item C5</b> This item Approved on the Consent Agenda.	n/a
6. Discussion of and Possible Vote to Take Action on the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 55, Concerning Residential Mortgage Loan Originators, Resulting from Rule Review	Sharon McCormick made a motion to Approve the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 55, Concerning Residential Mortgage Loan Originators, Resulting from Rule Review. Laura Warren seconded, and the motion passed.	58:27 Start of Discussion  1:36:50 Vote
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 56, Concerning Residential Mortgage Loan Companies, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 56, Concerning Residential Mortgage Loan Companies, Resulting from Rule Review. Troy Lambden seconded, and the motion passed.	1:37:24 Start of Discussion  2:48:20 Vote

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8. Discussion of and Possible Vote to Take Action on the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 57, Concerning Mortgage Bankers, Resulting from Rule Review	Kathleen Fields made a motion to Approve the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 57, Concerning Residential Mortgage Bankers, Resulting from Rule Review. Troy Lambden seconded, and the motion passed.	2:49:04 Start of Discussion  2:50:20 Vote
9. Discussion of and Possible Vote to Take Action on the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 58, Concerning Residential Mortgage Loan Servicers, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 58, Concerning Residential Mortgage Loan Servicers, Resulting from Rule Review. Troy Lambden seconded, and the motion passed.	2:50:47 Start of Discussion  2:52:55 Vote
10. Discussion of and Possible Vote to Take Action on the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 59, Concerning Wrap Mortgage Loans, Resulting from Rule Review	Sharon McCormick made a motion to Approve the Proposal and Publication of New Rules in 7 TAC, Part 4, Chapter 59, Concerning Wrap Mortgage Loans, Resulting from Rule Review. Troy Lambden seconded, and the motion passed.	2:53:31 Start of Discussion  2:54:18 Vote
11. Discussion of and Possible Vote to Take Action on the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 78, Concerning Wrap Mortgage Loans, Resulting from Rule Review	David Osborn made a motion to Approve the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 78, Concerning Wrap Mortgage Loans, Resulting from Rule Review. Miguel Romano seconded, and the motion passed.	2:54:43 Start of Discussion  2:55:25 Vote
12. Discussion of and Possible Vote to Take Action on the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 79, Concerning Residential Mortgage Loan Servicers, Resulting from Rule Review	Kathleen Fields made a motion to Approve the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 79, Concerning Residential Mortgage Loans Servicers, Resulting from Rule Review. Sharon McCormick seconded, and the motion passed.	2:55:49 Start of Discussion  2:56:01 Vote
13. Discussion of and Possible Vote to Take Action on the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 80, Concerning Residential Mortgage Loan Companies, Resulting from Rule Review	Sharon McCormick made a motion to Approve the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 80, Concerning Residential Mortgage Loan Companies, Resulting from Rule Review. Troy Lambden seconded, and the motion passed.	2:56:26 Start of Discussion  2:56:41 Vote
14. Discussion of and Possible Vote to Take Action on the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators, Resulting from Rule Review	Rosie Morris made a motion to Approve the Proposal and Publication of Repeals in 7 TAC, Part 4, Chapter 81, Concerning Mortgage Bankers and Residential Mortgage Loan Originators, Resulting from Rule Review. Laura Warren seconded, and the motion passed.	2:57:08 Start of Discussion  2:57:26 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
15. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation  <i>Tim Schoenbauer v. Texas Department of Savings and Mortgage Lending; Cause No. JPC-23-02334-32, in the Justice Court, Precinct 3, Place 2, Dallas County, Texas</i>	No Action Required.	n/a
<b>D. Texas Department of Banking</b>		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department’s Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	2:58:54 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 2, Chapter 33, § 33.27, Concerning Fees to Obtain and Maintain a License	Laura Warren made a motion to Approve the Adoption of Amendments in 7 TAC, Part 2, Chapter 33, § 33.27, Concerning Fees to Obtain and Maintain a License. Kathleen Fields seconded, and the motion passed.	3:14:46 Start of Discussion  3:16:51 Vote
3. Discussion of and Possible Vote to Take Action on the Adoption of Amendments in 7 TAC, Part 2, Chapter 33, § 33.51, Concerning How to Provide Information to Customers on How to File a Complaint	<b>On Consent Agenda – Item D3</b> This item Approved on the Consent Agenda.	n/a
4. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 1:48 p.m. (3:17:36 on the audio file).

/s/Phillip Holt  
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 Phillip Holt, Chairman  
 Finance Commission of Texas

/s/Charles G. Cooper  
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 Charles G. Cooper, Executive Director  
 Finance Commission of Texas

/s/Ruth Wright  
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 Ruth Wright, Executive Assistant