

FINANCE COMMISSION OF TEXAS AUDIT COMMITTEE MEETING

Friday, February 21, 2025

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 December 13, 2024 Audit Committee Meeting
- B. Review of Agencies' Activities
 - 1. Office of Consumer Credit Commissioner
 - 2. Department of Savings and Mortgage Lending
 - 3. Texas Department of Banking
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 First Quarter Investment Officer Reports
 - 1. Office of Consumer Credit Commissioner
 - 2. Department of Savings and Mortgage Lending
 - 3. Texas Department of Banking
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 First Quarter Financial Statements
 - 1. Office of Consumer Credit Commissioner
 - 2. Department of Savings and Mortgage Lending
 - 3. Texas Department of Banking
- 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 and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Stefanie Beecoff
- G. Discussion of the Activities of the Mortgage Grant Fund
- H. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code

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

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

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MINUTES OF THE AUDIT COMMITTEE MEETING Friday, December 13, 2024

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on Friday, December 13, 2024, with the following members present:

Audit Committee Members in Attendance:

Kathleen Fields, Chairman
Roselyn "Rosie" Morris
David Osborn

Chairman Fields announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. *(0:28 on audio file)*.

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the October 25, 2024 Audit Committee Meeting	David Osborn made a motion to Approve the Minutes of the October 25, 2024 Audit Committee Meeting. Rosie Morris seconded, and the motion passed.	0:49 Start of Discussion 1:04 Vote
B. Review of Agencies' Activities 1. Department of Savings and Mortgage Lending 2. Texas Department of Banking 3. Office of Consumer Credit Commissioner	No Action Required.	1:35 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2025 Internal Auditor's Risk Assessment and Audit Plan 1. Department of Savings and Mortgage Lending 2. Texas Department of Banking 3. Office of Consumer Credit Commissioner	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies' Fiscal Year 2025 Internal Auditor's Risk Assessment and Audit Plan. David Osborn seconded, and the motion passed.	8:32 Start of Discussion 18:00 Vote
D. 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.	18:26 Start of Discussion
E. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	19:46 Start of Discussion

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
F. 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 Fields called for an Executive Session at 8:50 a.m. (20:44 on the audio file). The open meeting resumed at 9:14 a.m. (21:54 on the audio file)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Fields adjourned the meeting at 9:14 a.m. (22:12 on the audio file).

Kathleen Fields, 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 January 31, 2025

Auditor: <i>Texas Comptroller of Public Accounts</i>	Audit Report Date: <i>November 20, 2024</i>
Audit Area: <i>Statewide Controls of Public Accounts</i>	
Findings: <i>Conflicting System Roles</i>	Status Update: <i>Complete. System roles have been reviewed and modified as necessary.</i>
Auditor: <i>Texas Workforce Commission</i>	Audit Report Date: <i>January 13, 2025</i>
Audit Area: <i>Human Resources Policies and Procedures</i>	
Findings: <i>None</i>	Status Update: <i>Complete</i>
Auditor: <i>Garza/Gonzalez</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>TREE Fund Investment Portfolio Administration</i>	
Findings: <i>NA</i>	Status Update: <i>Scheduled to begin on 2/24/25</i>
Auditor: <i>AT&T (through DIR)</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Cybersecurity Framework Assessment</i>	
Findings: <i>NA</i>	Status Update: <i>Scheduled to begin in March 2025</i>
Auditor: <i>Department of Public Safety</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>HR Criminal History Audit</i>	
Findings: <i>NA</i>	Status Update: <i>DPS scheduled on site on 4/1/25.</i>
Auditor: <i>Garza/Gonzalez</i>	Audit Report Date: <i>NA</i>
Audit Area: <i>Business Licensing</i>	
Findings: <i>NA</i>	Status Update: <i>Scheduled to begin in the late spring/early summer 2025</i>
Auditor: <i>Department of Public Safety</i>	Audit Report Date: <i>May 18, 2022</i>
Audit Area: <i>Non-Criminal Justice Audit – Licensing</i>	
Findings: <i>Evaluate IT Access</i>	Status Update: <i>See HR Criminal History Audit Above</i>

Texas Workforce Commission

A Member of Texas Workforce Solutions

Bryan Daniel, Chairman
Commissioner
Representing the Public

Alberto Trevino III
Commissioner
Representing Labor

Joe Esparza
Commissioner
Representing Employers

Edward Serna
Executive Director

January 13, 2025

VIA EMAIL ATTACHMENT

Leslie Pettijohn, Commissioner
Office of Consumer Credit Commissioner
2601 N Lamar Blvd
Austin, Texas 78705

Re: CERTIFICATION LETTER - Texas Workforce Commission Civil Rights Division Review of Personnel Policies and Procedures System.

Leslie Pettijohn,


The Texas Workforce Commission Civil Rights Division (the “Division”) has completed the review of the personnel policies and procedures system of your agency/institution of higher learning (“agency”) under Texas Labor Code §§ 21.451 – 21.456. Based on that review and your implementation of recommendations, I hereby certify that your agency’s system complies with Texas Labor Code Chapter 21.

As specified in the Texas Labor Code, §21.454, your agency must submit a report to the Governor, the Legislature, the Legislative Budget Board, and the Civil Rights Division within 60 days. A sample report format is attached. Please provide an electronic copy of the report to the Civil Rights Division’s EEO Compliance Monitor.

Although this review is now concluded, your agency is scheduled for its next review in six (6) years. The Division may advance or delay this schedule up to one year to account for the abolishment or combination of agencies and the creation of new agencies. In addition, if a risk assessment indicates a need for more frequent review, such review may be conducted pursuant to Texas Labor Code §21.453(a-1). Until your next review, we are available for technical assistance under Texas Labor Code §21.003(a)(5).

Thank you for the opportunity to work with your staff. If you have questions, please contact, Jessianna Marshall, EEO Compliance Monitor, at (737) 667-5960 or jessianna.marshall@twc.texas.gov.

Sincerely,



Bryan Snoddy, Director
Civil Rights Division

cc: Levi Rainer, Director of Licensing, Finance & HR



**CIVIL RIGHTS DIVISION
PERSONNEL POLICIES AND PROCEDURES SYSTEM
REVIEW CHECKLIST**

**466- Office of Consumer Credit Commission
206 N. Lamar Blvd.
Austin, TX 78705**

Review Conducted By: Jessianna Marshall, EEO Compliance Monitor

PERSONNEL SELECTION POLICIES & WORKFORCE DIVERSITY PROGRAM	Chapter/Page	Yes/No Or N/A
1. <u>Workforce Diversity Program:</u> Workforce Analysis & Recruitment Plan a. Has the agency/institute of higher learning conducted an analysis of its current workforce and compared the number of African Americans, Hispanic Americans and females in each job category to the available statewide civilian workforce to determine the percentage of exclusion or underutilization by each category? (TLC §§21.452 and 21.501)	EEO Report FY 2025-2029 Strategic Plan Agency Workforce Plan	Yes
b. Has the agency/institute of higher learning developed and implemented an annual recruitment plan to recruit qualified African Americans, Hispanic Americans and females based on Labor Code workforce utilization analysis data? (TLC §§21.452 and 21.502)	Memorandum	N/A
2. <u>Job Advertisements:</u> Do job advertisements refrain from indicating a preference, limitation, specification or discrimination based on race, color, national origin, religion, sex, age, or disability? (TLC §21.059(a)) (If no, the agency must demonstrate an exception such that a bona fide occupational qualification exists for a preference, limitation or specification based on disability, religion, sex, national origin, or age to be in compliance. (TLC §21.059(b))	Policy 22.1	Yes
3. <u>Hiring Procedures:</u> a. Has the agency/institute of higher learning published written selection procedures? (TLC §21.452) * For institutions of higher education, please provide policies for both faculty and staff throughout the checklist.	Policy 22	Yes

b. Do written selection procedures incorporate a workforce diversity program and ensure that all selection decisions are made only on lawful, job related, and non-discriminatory criteria? (TLC §21.452)	Policy 22	Yes
c. Does the review of samples of hiring actions indicate that the agency implemented the selection procedures? (TLC §21.452).	Hiring Samples	Yes

SECTION SUMMARY:

Findings and Recommendations:

Observations and Best Practices:

- ☒ Certified as in compliance
- ☐ Certified as in compliance after implementing recommendations
- ☐ Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

PERFORMANCE EVALUATION POLICY	Chapter/Page	Yes/No Or N/A
1. Has the agency developed and implemented a performance evaluation policy? (TLC §21.452)	Policy 218	Yes
2. Does the review of samples of performance evaluations indicate that the agency has implemented the procedures? (TLC §21.452)	Random Samples	Yes

SECTION SUMMARY: None

Findings and Recommendations: None

Observations and Best Practices: None

- ☒ Certified as in compliance
- ☐ Certified as in compliance after implementing recommendations

Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

WORKPLACE ACCOMMODATION POLICY	Chapter/Page	Yes/No Or N/A
1. Has the agency/institute of higher education developed and implemented a workplace accommodation policy to include a definition of "Disability" that is consistent with Chapter 21, Texas Labor Code? (TLC §§21.128 and 21.002(6))	Policy 24	Yes
2. Does the policy ensure that reasonable accommodations are made for persons with sincerely held religious beliefs? (TLC §21.108)	Policy 24	Yes
3. Does the review of samples of requests for accommodation indicate that the agency has implemented the procedures? (TLC § 21.452)	Random Samples	N/A

SECTION SUMMARY: A review of samples for accommodations was not conducted the agency provided a memorandum indicating that it did not receive any requests for accommodation during the past three fiscal years.

Findings and Recommendations: None

Observations and Best Practices: None

 x Certified as in compliance

_____ Certified as in compliance after implementing recommendations

Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirement.

EEO POLICY INCLUDING SEXUAL HARASSMENT	Chapter/Page	Yes/No Or N/A
1. EEO Policy: Has the agency developed and implemented an equal employment opportunity policy? (TLC §21.452; See also agency's/institute of higher learning enabling legislation)	Policy 240	Yes
a. Does the policy prohibit discrimination based on race, color, national origin, religion, sex, age, or disability? (TLC §21.051)	Policy 240	Yes
b. Does the EEO policy require a training program that provides employees information regarding the agency's policies and procedures relating to employment discrimination, including sexual harassment, and require that employees receive initial training within 30 days after their date of hire and supplemental training every two years? (TLC §21.010, 40 Tex. Admin. Code §819.24)	Policy 240	Yes
c. What EEO/SH training curriculum does your agency use and has that curriculum been approved by the TWC Civil Rights Division (internally developed, another agency's curriculum, or the CRD's curriculum)? (TLC §§ 21.003(c), 21.010, 21.556; TAC §819.24) * Provide training curriculum & certification or memo asserting agency's use of CRD training materials.	TWC provided training.	No
d. Does the EEO policy prohibit retaliation against a person who opposes a discriminatory practice, files a charge, testifies, assists, or participates in an investigative proceeding or hearing and provide a full definition of retaliation? (TLC §21.055; must identify every protected activity in the Labor Code definition)	Policy 240	Yes
2. Sexual Harassment Policy: Has the agency/institute of higher learning developed and implemented a sexual harassment policy? (TLC §21.452; Faragher v. City of Boca Raton, 118 S. Ct. 2275 (1999))	Policy 240	Yes
a. Does the policy include procedures for instituting both immediate and appropriate corrective actions if prohibited conduct occurs? (TLC §21.142; immediate actions could include temporary reassignments or leave while an investigation is conducted)	Policy 240	Yes
3. Does the review of samples of personnel actions indicate that the agency/institute of higher learning has implemented the EEO/Sexual Harassment policies? (TLC §21.452)	Random Samples	N/A

SECTION SUMMARY: A review of samples of EEO/Sexual Harassment actions was not conducted, the agency provided a memorandum indicating it did not receive any EEO/Sexual Harassment complains during the past three fiscal years.

Findings and Recommendations: None

Observations and Best Practices: None

 x Certified as in compliance

 Certified as in compliance after implementing recommendations

 Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

SIGNATURES:



LEO Compliance Monitor

Month Day, Year
January 10, 2025
Date



Director

Month Day, Year
January 10, 2025
Date

Department of Savings and Mortgage Lending

Audit Activities Report as of January 31, 2025

Auditor:	<i>Garza/Gonzales and Associates</i>	Audit Report Date: <i>Jun 24, 2024</i>
Audit Area:	<i>Mortgage Grant Fund</i>	
Recommendations:	Status Update:	
<i>Develop and implement procedures for applicant selection.</i>	<i>Completed.</i>	
Auditor:	<i>Texas Workforce Commission</i>	Audit Report Date: <i>Dec 19, 2024</i>
Audit Area:	<i>Personnel Policy and Procedure System Review</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>Completed. Report submitted.</i>	
Auditor:	<i>Comptroller of Public Accounts</i>	Audit Report Date: <i>Nov 20, 2024</i>
Audit Area:	<i>Controls Over Expenditure Processing – Desk Audit</i>	
Findings:	Status Update:	
<i>Conflicting system roles.</i>	<i>Review completed. No changes.</i>	
Auditor:	<i>Comptroller of Public Accounts</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Post-Payment and Procurement Audit</i>	
Findings:	Status Update:	
<i>N/A</i>	<i>In progress. Pending preliminary report.</i>	
Auditor:	<i>State Auditor's Office</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Self-Directed Semi-Independent Audit</i>	
Findings:	Status Update:	
<i>N/A</i>	<i>In progress.</i>	
Auditor:	<i>Department of Information Resources</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Cybersecurity Framework Assessment</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>Scheduled. Assessment to begin on March 10, 2024.</i>	
Auditor:	<i>Garza/Gonzales and Associates</i>	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Thrift Examinations</i>	
Recommendations:	Status Update:	
<i>N/A</i>	<i>Planned.</i>	

Texas Workforce Commission

A Member of Texas Workforce Solutions

Bryan Daniel, Chairman
Commissioner
Representing the Public

Alberto Trevino III
Commissioner
Representing Labor

Joe Esparza
Commissioner
Representing Employers

Edward Serna
Executive Director

December 19, 2024

VIA EMAIL ATTACHMENT

Hector Retta, Commissioner
Department of Savings and Mortgage Lending
2601 North Lamar
Austin, Texas 78705

Re: CERTIFICATION LETTER - Texas Workforce Commission Civil Rights Division Review of Personnel Policies and Procedures System.

Hector Retta,

The Texas Workforce Commission Civil Rights Division (the “Division”) has completed the review of the personnel policies and procedures system of your agency/institution of higher learning (“agency”) under Texas Labor Code §§ 21.451 – 21.456. Based on that review and your implementation of recommendations, I hereby certify that your agency’s system complies with Texas Labor Code Chapter 21.

As specified in the Texas Labor Code, §21.454, your agency must submit a report to the Governor, the Legislature, the Legislative Budget Board, and the Civil Rights Division within 60 days. A sample report format is attached. Please provide an electronic copy of the report to the Civil Rights Division’s EEO Compliance Monitor.

Although this review is now concluded, your agency is scheduled for its next review in six (6) years. The Division may advance or delay this schedule up to one year to account for the abolishment or combination of agencies and the creation of new agencies. In addition, if a risk assessment indicates a need for more frequent review, such review may be conducted pursuant to Texas Labor Code §21.453(a-1). Until your next review, we are available for technical assistance under Texas Labor Code §21.003(a)(5).

Thank you for the opportunity to work with your staff. If you have questions, please contact, Jessianna Marshall, EEO Compliance Monitor, at (737) 667-5960 or jessianna.marshall@twc.texas.gov.

Sincerely,



Bryan Snoddy, Director
Civil Rights Division

cc: Antonia Antov, Director of Operations



**CIVIL RIGHTS DIVISION
PERSONNEL POLICIES AND PROCEDURES SYSTEM
REVIEW CHECKLIST**

**450- Department of Savings and Loan
2601 N. Lamar Blvd, Ste 201
Austin, TX 78705**

Review Conducted By: Jessianna Marshall, EEO Compliance Monitor

PERSONNEL SELECTION POLICIES & WORKFORCE DIVERSITY PROGRAM	Chapter/Page	Yes/No Or N/A
1. <u>Workforce Diversity Program:</u> Workforce Analysis & Recruitment Plan a. Has the agency/institute of higher learning conducted an analysis of its current workforce and compared the number of African Americans, Hispanic Americans, and females in each job category to the available statewide civilian workforce to determine the percentage of exclusion or underutilization by each category? (TLC §§21.452 and 21.501)	Workforce Plan HRD WI Workforce Plan (Page 5)	Yes
b. Has the agency/institute of higher learning developed and implemented an annual recruitment plan to recruit qualified African Americans, Hispanic Americans and females based on Labor Code workforce utilization analysis data? (TLC §§21.452 and 21.502)	Recruitment Plan (Page 16)	Yes
2. <u>Job Advertisements:</u> Do job advertisements refrain from indicating a preference, limitation, specification or discrimination based on race, color, national origin, religion, sex, age, or disability? (TLC §21.059(a)) (If no, the agency must demonstrate an exception such that a bona fide occupational qualification exists for a preference, limitation or specification based on disability, religion, sex, national origin, or age to be in compliance. (TLC §21.059(b))	HRD 1.20 POL HRD 1.20.1 PRO HRD WI (Page 30)	Yes
3. <u>Hiring Procedures:</u> a. Has the agency/institute of higher learning published written selection procedures? (TLC §21.452) * For institutions of higher education, please provide policies for both faculty and staff throughout the checklist.	HRD 1.20.3 PRO (Pages 32-35)	Yes

PERSONNEL SELECTION POLICIES & WORKFORCE DIVERSITY PROGRAM (continued)	Chapter/Page	Yes/No Or N/A
b. Do written selection procedures incorporate a workforce diversity program and ensure that all selection decisions are made only on lawful, job related, and non-discriminatory criteria? (TLC §21.452)	HRD 1.20.3 PRO (Pages 32-35)	Yes
c. Does the review of samples of hiring actions indicate that the agency implemented the selection procedures? (TLC §21.452).	Hiring Samples	Yes

SECTION SUMMARY:

Findings and Recommendations:

Observations and Best Practices:

- ☒ Certified as in compliance
- ☐ Certified as in compliance after implementing recommendations
- ☐ Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

PERFORMANCE EVALUATION POLICY	Chapter/Page	Yes/No Or N/A
1. Has the agency developed and implemented a performance evaluation policy? (TLC §21.452)	HRD 1.33 POL (Page 41)	Yes
5. Does the review of samples of performance evaluations indicate that the agency has implemented the procedures? (TLC §21.452)	Random Samples	Yes

SECTION SUMMARY: None

Findings and Recommendations: None

Observations and Best Practices: None

- ☒ Certified as in compliance
- ☐ Certified as in compliance after implementing recommendations
- ☐ Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

WORKPLACE ACCOMMODATION POLICY	Chapter/Page	Yes/No Or N/A
1. Has the agency/institute of higher education developed and implemented a workplace accommodation policy to include a definition of “Disability” that is consistent with Chapter 21, Texas Labor Code? (TLC §§21.128 and 21.002(6))	HRD 1.15 POL (Page 62)	Yes
2. Does the policy ensure that reasonable accommodations are made for persons with sincerely held religious beliefs? (TLC §21.108)	HRD 1.15 POL (Page 63)	Yes
3. Does the review of samples of requests for accommodation indicate that the agency has implemented the procedures? (TLC § 21.452)	Random Samples	Yes

SECTION SUMMARY:

Findings and Recommendations:

Observations and Best Practices:

 x Certified as in compliance

 Certified as in compliance after implementing recommendations

 Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirement.

EEO POLICY INCLUDING SEXUAL HARASSMENT	Chapter/Page	Yes/No Or N/A
1. EEO Policy: Has the agency developed and implemented an equal employment opportunity policy? (TLC §21.452; See also agency's/institute of higher learning enabling legislation)	HRD 1.11 POL (Page 71)	Yes
a. Does the policy prohibit discrimination based on race, color, national origin, religion, sex, age, or disability? (TLC §21.051)	HRD 1.11 POL (Page 71)	Yes
b. Does the EEO policy require a training program that provides employees information regarding the agency's policies and procedures relating to employment discrimination, including sexual harassment, and require that employees receive initial training within 30 days after their date of hire and supplemental training every two years? (TLC §21.010, 40 Tex. Admin. Code §819.24) c. *For institutions of higher learning, it is a best practice to provide employment discrimination training to all employees, however, short-term student workers will not factor into this requirement.	HRD 1.11 POL (Page 73)	Yes
d. What EEO/SH training curriculum does your agency use and has that curriculum been approved by the TWC Civil Rights Division (internally developed, another agency's curriculum, or the CRD's curriculum)? (TLC §§ 21.003(c), 21.010, 21.556; TAC §819.24) * Provide training curriculum & certification or memo asserting agency's use of CRD training materials.	TWC Curriculum	Yes
e. Does the EEO policy prohibit retaliation against a person who opposes a discriminatory practice, files a charge, testifies, assists, or participates in an investigative proceeding or hearing and provide a full definition of retaliation? (TLC §21.055; must identify every protected activity in the Labor Code definition)	HRD 1.11 POL (Page 72) HRD 1.18 POL (Page 74)	Yes
2. Sexual Harassment Policy: Has the agency/institute of higher learning developed and implemented a sexual harassment policy? (TLC §21.452; Faragher v. City of Boca Raton, 118 S. Ct. 2275 (1989))	HRD 1.12 POL (Page 76)	Yes
a. Does the policy include procedures for instituting both immediate and appropriate corrective actions if prohibited conduct occurs? (TLC §21.142; immediate actions could include temporary reassignments or leave while an investigation is conducted)	HRD 1.12.1 PRO (Page 80)	Yes
3. Does the review of samples of personnel actions indicate that the agency/institute of higher learning has implemented the EEO/Sexual Harassment policies? (TLC §21.452)	Random Samples	N/A

SECTION SUMMARY:

Findings and Recommendations: A review of personnel actions for EEO/Sexual Harassment complaints was not conducted. The Department of Saving and Loan provided a memorandum indicating that the agency had not received EEO/Sexual Harassment complaints in the last three fiscal years.

Observations and Best Practices:

_____ Certified as in compliance

 x Certified as in compliance after implementing recommendations

_____ Factors preventing certification of compliance as agency/institute of higher learning has not implemented recommendations on statutory/regulatory requirements

SIGNATURES



EEO Compliance Monitor

Month Day, Year

December 17, 2024

Date



Director

Month Day, Year

December 19, 2024

Date

**Texas Department of Banking
Audit Activities Report
As of January 31, 2025**

Auditor:	Comptroller of Public Accounts	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Follow-Up to September 2022 Post Payment Audit</i>	
Findings:	Status Update:	
N/A	<i>Field work began on August 19, 2024. The audit work was completed on January 15, 2025, and a final report will follow in the coming months.</i>	
Auditor:	State Auditor's Office	Audit Report Date: <i>N/A</i>
Audit Area:	<i>An Audit of the Department of Banking: A Self-Directed, Semi- Independent Agency</i>	
Findings:	Status Update:	
N/A	<i>Department received notification on January 16, 2025, and an entrance meeting was held on January 29, 2025.</i>	
Auditor:	Texas Department of Public Safety	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Access & Dissemination Policy and the CJIS Security Policy Review</i>	
Findings:	Status Update:	
N/A	<i>Audit Review begins February 5, 2025</i>	
Auditor:	Garza /Gonzalez & Associates	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Money Services Businesses</i>	
Findings:	Status Update:	
N/A	<i>Audit Review the week of February 10, 2025</i>	
Auditor:	Garza /Gonzalez & Associates	Audit Report Date: <i>N/A</i>
Audit Area:	<i>Revenue Accounting Process</i>	
Findings:	Status Update:	
N/A	<i>Planned for late spring/early summer.</i>	

Office of Consumer Credit Commissioner
Fiscal Year 2025 - 1st Quarter

Residential Mortgage Loan Originator Recovery Trust Fund #3008					
<u>Beginning Balance at 8/31/2024</u>	<u>Additions / *(Deductions)</u>	<u>Interest Paid</u>	<u>Paid Bank Fees</u>	<u>Ending Balance at 11/30/2024</u>	<u>Current Interest Rate</u>
\$ 223,745.75	\$ -	\$ 2,747.42	\$ (52.54)	\$ 226,440.63	4.54%

Prepared By: /s/ Mridula Lekhak

Date: 01/27/2025

Investment Officer: Mirand Diamond

Date: 01/27/2025

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 2025 - 1st Quarter

Texas Financial Education Endowment Fund #3071								
	Beginning Balance at 8/31/2024	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 11/30/2024	Current Interest Rate
Cash	\$ 1,185,585.06	\$ -	\$ 13,905.82	\$ (67,711.93)	\$ -	\$ (147.07)	\$ 1,131,631.88	4.54%
Invested Portfolio	Beginning Balance at 08/31/2024	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 11/30/2024	
Cash in Bank	\$ -	\$ -	\$ 8,531.74	\$ -	\$ -	\$ -	\$ 8,531.74	
Investments - STIF	1,202,329.66	-	(295,501.79)	-	-	-	906,827.87	
Investments - Short Term	-	-	-	-	-	-	-	
Interest & Dividends Receivable	5,247.43	-	(1,406.71)	-	-	-	3,840.72	
Trade Receivables	-	-	-	-	-	-	-	
Investments - Equities	1,743,540.05	-	350,957.40	-	-	-	2,094,497.45	
Investments - Alternatives	6,443,204.38	-	59,553.90	-	-	-	6,502,758.28	
Investments - Fixed Income	783,930.95	-	192,108.05	-	-	-	976,039.00	
Investments - Futures	-	-	-	-	-	-	-	
Investments - SWAPS, at Fair Value	24,637.85	-	(26,789.71)	-	-	-	(2,151.86)	
Total Assets-Invested Portfolio	\$ 10,202,890.32	\$ -	\$ 287,452.88	\$ -	\$ -	\$ -	\$ 10,490,343.20	
Liabilities								
Accounts Payable	\$ -	-	\$ (2,055.08)	\$ -	\$ -	\$ -	\$ (2,055.08)	
Interest Payable	(5,271.04)	-	2,355.93	-	-	-	(2,915.11)	
Trade Payables	(16,650.38)	-	16,650.38	-	-	-	-	
Futures Contracts, at Fair Value	-	-	-	-	-	-	-	
Swaps, at Fair Value	-	-	-	-	-	-	-	
Total Liabilities	\$ (21,921.42)	\$ -	\$ 16,951.23	\$ -	\$ -	\$ -	\$ (4,970.19)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 10,180,968.90						\$ 10,485,373.01	
Total Endowment Funds	\$ 11,366,553.96						\$ 11,617,004.89	

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/ Mridula Lehak

Date: 1/31/2025

Investment Officer: /s/ Mirand Diamond

Date: 2/3/2025

Asset Allocation Summary *(unaudited)*

As of November 30, 2024

Asset Class	Strategy	Number of Funds ^{1,2}	Number of Managers ^{1,2}	Current Market Value	Weight	Long-Term Target	Total Endowment Policy Range
Fixed Income		79	45	\$3,349,984	31.9%	34.0%	20-50%
	Global Fixed Income (ex-cash)	4	3	1,331,502	12.7%	9.0%	
	Alternative Fixed Income	15	15	1,631,716	15.6%	15.0%	
	Private Debt	56	33	386,766	3.7%	10.0%	
Equity		137	60	\$5,650,168.49	53.9%	50.0%	35-65%
	Global Public Equity	9	9	2,991,882	28.5%	20.0%	
	Hedged Equity	11	11	2,031,784	19.4%	15.0%	
	Private Equity	102	49	626,503	6.0%	15.0%	
Real Assets		69	29	\$692,255	6.6%	15.0%	5-25%
	Stable Value Real Estate	21	12	409,666	3.9%	7.5%	
	Enhanced Real Estate	48	19	282,590	2.7%	7.5%	
Strategic All Asset & Overlays		12	12	\$654,249	6.2%	0.0%	0-15%
	All Asset Strategies	5	4	29,394	0.3%	0.0%	
	Overlays	7	7	624,855	6.0%	0.0%	
Subtotal (ex-Offset, ex-Cash)		297	137	\$10,346,657	98.7%	99.00%	
	Cash	2	2	916,285	8.7%	1.0%	
	Overlay Offset ³	-	-	-775,514	-7.4%	0.0%	
Total Portfolio		299	139	\$10,487,428	100.0%	100.0%	

Management Fee Payable

(2,055.08)

10,485,373.02

0.00

1 Does not include funds in wind down or redemption.

2 Manager count for aggregates are less than sum of components due to managers with multiple strategy allocations.

3 Derivative exposures are reported at notional value in the global equity and global fixed portfolios. This requires an equal-sized offset, which is reported as a negative market value.

Department of Savings and Mortgage Lending

Investment Officer Report as of November 30, 2024

Recovery Fund

	Beginning Balance 9/1/2024	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 11/30/2024
Cash & Cash Equivalents	\$5,206,053.15	15,215.00	74,904.55	(533.10)	\$5,295,639.60
Mortgage Grant Program Balance (12/31/2021)					690,489.78
Mortgage Grant Program Balance (12/31/2022)					356,479.17
Mortgage Grant Program Balance (12/31/2023)					374,186.80
Recovery Balance					\$3,874,483.85

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	12/1/2024	4.60%	\$5,295,639.60	\$667.75
				\$5,295,639.60	\$667.75

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Chris Churchill

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 1/29/2025

Date: 1/29/2025

Department of Savings and Mortgage Lending

Investment Officer Report as of November 30, 2024

Mortgage Grant Fund

	Beginning Balance 9/1/2024	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 11/30/2024
Cash & Cash Equivalents	\$203,135.42	(\$85,881.57)	\$1,548.55	(\$44.65)	\$118,757.75

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	12/1/2024	4.60%	\$118,757.75	\$14.97
				\$118,757.75	\$14.97

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Chris Churchill

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 1/29/2025

Date: 1/29/2025

Texas Department of Banking Quarterly Investment Report
August 31, 2024 to November 30, 2024

Seized Prepaid Funeral Funds Held in <u>a Financial Institution</u>	Book Value at <u>August 31, 2024</u>	Interest Income <u>Received</u>	Trustee <u>Fees Paid</u>	Other <u>Deductions</u>	Other <u>Additions</u>	Book Value at <u>November 30, 2024</u>	<u>Financial Institution</u>	Investment <u>Type</u>	Maturity <u>Date</u>	Interest <u>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:

<div> <div>/s/ Jesse Saucillo</div> <div>Investment Officer</div> </div>	<div> <div>1/6/2025</div> <div>Date</div> </div>
<div> <div>/s/ Sami Chadli</div> <div>Investment Officer</div> </div>	<div> <div>1/6/2025</div> <div>Date</div> </div>

Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
August 31, 2024 to November 30, 2024

<u>Book Value at August 31, 2024</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>(1) Other Deduction(s)</u>	<u>(2) Other Addition(s)</u>	<u>Book/Market Value at November 30, 2024</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,496,970.73	\$19,342.87	\$180.39	\$3,133.54	\$5,942.65	\$1,518,942.32	--	--	\$816.85

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$786,869.04	12/1/2024	4.54%	--
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2024	5.70%	\$374.79
Texas Bank Financial, Weatherford, Texas (CD)	\$246,992.73	12/24/2024	5.375%	\$290.98
American Bank of Commerce, Wolfforth, Texas (CD)	\$245,080.55	11/23/2025	4.50%	\$151.08
Subtotal	\$1,518,942.32			

(1) Other deduction includes \$3,133.54 in consumer restitution related to El Paso Mission Funeral Home.

(2) Other addition includes: \$5,942.65 related to a stop payment of restitution checks for El Paso Mission Funeral Home that were not negotiated by the consumers. \$3,133.54 of the restitution were reissued to consumers after receiving updated information, and the remaining \$2,809.11 were escheated to the Texas Comptroller of Public Accounts as abandoned property in December 2024.

* 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	1/6/2025 Date
/s/ Sami Chadli Investment Officer	1/6/2025 Date

Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
August 31, 2024 to November 30, 2024

<u>Book Value at August 31, 2024</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 November 30, 2024</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,047,908.52	\$13,106.84	\$ 80.94			\$1,060,934.42	--	--	\$528.60

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$815,934.42	12/1/2024	4.54%	--
Spring Hill State Bank, Longview, Texas (CD)	<u>\$245,000.00</u>	5/12/2025	5.25%	\$528.60
Subtotal	\$1,060,934.42			

* 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>	<u>1/6/2025</u>
Investment Officer	Date
 <u>/s/ Sami Chadli</u>	 <u>1/6/2025</u>
Investment Officer	Date

Public Funds Investment Act Training

North Central Texas Council of Governments
and

Government Treasurers' Organization of Texas

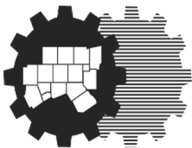
Certificate of Attendance

Jesse Saucillo

December 9, 2024..... 5 hours

Zoom

INSTRUCTOR: Patrick Shinkle
SPONSOR NUMBER: 010174



We are registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the board as to the quality of our CPE Program. In accordance with the standards of the National Registry of CPE Sponsors and the rules for CPE promulgated by the TSBPA, CPE credits have been granted based on a 50-minute hour.

Office of Consumer Credit Commissioner
Operating Statement and Budget Analysis
For the Quarter Ending November 30, 2024

	FY 2024 ACTUAL	FY 2025 BUDGET	QUARTER PERFORMANCE				FY 2025 PERFORMANCE			
			1st Quarter BUDGET	1st Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Industry										
Consumer Lending Industry	\$ 2,230,988	\$ 1,975,150	\$ 488,069	\$ 767,662	\$ (279,592)	157.3%	\$ 488,069	\$ 767,662	\$ (279,592)	157.3%
Credit Access Industry	901,700	859,800	278,330	286,825	\$ (8,495)	103.1%	278,330	286,825	\$ (8,495)	103.1%
MVSF Industry	4,301,213	4,283,650	3,410,036	3,592,162	\$ (182,125)	105.3%	3,410,036	3,592,162	\$ (182,125)	105.3%
Pawn	732,927	752,385	14,868	3,766	\$ 11,101	25.3%	14,868	3,766	\$ 11,101	25.3%
Registered Entities	350,100	320,350	77,622	74,215	\$ 3,407	95.6%	77,622	74,215	\$ 3,407	95.6%
Penalties	50,305	-	0	30,640	\$ (30,640)	0.0%	-	30,640	\$ (30,640)	0.0%
Miscellaneous Revenue	783,106	663,500	165,875	176,763	\$ (10,888)	106.6%	165,875	176,763	\$ (10,888)	106.6%
TOTAL REVENUES	\$ 9,350,341	\$ 8,854,835	\$ 4,434,801	\$ 4,932,033	\$ (497,232)	111.2%	\$ 4,434,801	\$ 4,932,033	\$ (497,232)	111.2%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 4,973,604	\$ 5,642,194	\$ 1,399,129	\$ 1,329,019	\$ 70,111	95.0%	\$ 1,399,129	\$ 1,329,019	\$ 70,111	95.0%
Employee Benefits	1,627,303	1,781,341	445,335	416,414	\$ 28,921	93.5%	445,335	416,414	\$ 28,921	93.5%
Add'l Health/Retirement	73,518	84,633	21,158	19,379	\$ 1,779	91.6%	21,158	19,379	\$ 1,779	91.6%
Other Personnel Costs	69,457	117,494	29,373	28,753	\$ 620	97.9%	29,373	28,753	\$ 620	97.9%
Subtotal Personnel Costs	\$ 6,743,882	\$ 7,625,662	\$ 1,894,996	\$ 1,793,566	\$ 101,431	94.6%	\$ 1,894,996	\$ 1,793,566	\$ 101,431	94.6%
Travel										
In-State Travel	\$ 518,628	\$ 587,602	\$ 146,901	\$ 135,507	\$ 11,394	92.2%	\$ 146,901	\$ 135,507	\$ 11,394	92.2%
Out of State - Travel	17,355	27,052	6,763	4,279	\$ 2,484	63.3%	6,763	4,279	\$ 2,484	63.3%
Subtotal Travel	\$ 535,983	\$ 614,654	\$ 153,664	\$ 139,786	\$ 13,878	91.0%	\$ 153,664	\$ 139,786	\$ 13,879	91.0%
Operating Costs										
Professional Services & Fees	\$ 40,322	\$ 97,694	\$ 30,144	\$ 24,602	\$ 5,542	81.6%	\$ 30,144	\$ 24,602	\$ 5,542	81.6%
Consumables	6,883	4,800	1,200	1,902	\$ (702)	158.5%	1,200	1,902	\$ (702)	158.5%
Office Utilities	16,885	19,875	4,969	4,431	\$ 538	89.2%	4,969	4,431	\$ 538	89.2%
Rent - Building/Space	3,525	1,500	375	0	\$ 375	0.0%	375	0	\$ 375	0.0%
Rent - Equipment/Other	2,754	2,700	675	675	\$ -	100.0%	675	675	\$ -	100.0%
Communications	73,294	77,572	19,393	20,584	\$ (1,191)	106.1%	19,393	20,584	\$ (1,191)	106.1%
Information Technology	300,663	538,136	134,533	91,592	\$ 42,941	68.1%	134,533	91,592	\$ 42,941	68.1%
Employee Training	17,349	25,605	6,401	65	\$ 6,336	1.0%	6,401	65	\$ 6,336	1.0%
Misc. Operating Costs	264,307	291,941	83,434	100,572	\$ (17,137)	120.5%	83,434	100,572	\$ (17,137)	120.5%
Subtotal Operating Costs	\$ 725,983	\$ 1,059,822	\$ 281,125	\$ 244,424	\$ 36,701	86.9%	\$ 281,125	\$ 244,424	\$ 36,701	86.9%
TOTAL EXPENDITURES	\$ 8,005,848	\$ 9,300,138	\$ 2,329,785	\$ 2,177,775	\$ 152,010	93.5%	\$ 2,329,785	\$ 2,177,775	\$ 152,010	93.5%
EXPENDITURES (OVER) / UNDER REVENUES	\$ 1,344,493	\$ (445,303)	\$ 2,105,017	\$ 2,754,258	\$ (649,242)		\$ 2,105,016	\$ 2,754,258	\$ (649,242)	

Office of Consumer Credit Commissioner

Budget Variance Analysis

For the Quarter Ending November 30, 2024

Revenues: Overall revenues are 111% of the budget.

Consumer Lending (↑57%) – Renewal revenue is received in November and December which results in timing issues across the quarter end. The renewal process was completed in December 2024.

MVSF Industry (↑5%) - Renewal revenue received exceeded the allocated renewal revenue budget, resulting in a timing difference because of a slight underweighting in the budget allocation methodology in Q1. The difference should normalize during Q2.

Pawn (↓75%) – Fewer pawn applications were received than anticipated, however the amount is fairly small.

Misc Revenue (↑6%). Interest earned on fund balances exceeded expectations due to slightly higher interest rates than expected.

Expenditures: Overall expenditures are 93.5% of the budget.

Expenditure Type	In-State	Out of State	Total
	FY25	FY25	
Regulatory Supervision	89,000	-	89,000
Development & Training	46,089	4,279	50,368
Non-Employee	417	-	417
Total	135,507	4,279	139,786

Travel (↓9%) - Travel expenses declined in the last two months of calendar year 2024.

Professional Services (↓19%) - Accounting, legal and architectural services have not yet been incurred.

Information Technology (↓32%) – The timing of expenses for IT projects and purchases are slightly delayed and are expected later in the year.

Employee Training Costs (↓99%) – Reimbursements of previously paid tuition costs by separating employees were credited in Q1 offsetting most of the incurred Q1 expenditures.

Miscellaneous Operating Costs (↑20%) - Insurance premium payments and fees for receiving electronic payments are paid earlier in the fiscal year. The fees for receiving electronic payments in Q1 are related to: (1) motor vehicle renewals, which account for roughly half of our fees for collecting electronic payments and occur at the beginning of the fiscal year and (2) regulated license renewals, which occur in November - December.

Office of Consumer Credit Commissioner
Liquidity Report
For the Quarter Ending November 30, 2024

	Actual
Cash at Beginning of Period	\$ 14,171,400
Revenues Over (Under) Expenditures	\$ 2,754,258
Increase (Decrease) in Payables/Encumbrances	\$ 186,417
(Increase) Decrease in Receivables	\$ (23,907)
Other source of funds (transfer)	\$ -
Cash at End of Period	\$ 17,088,168

Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	\$ 10,251,048
Payables (net of receivables)	\$ 873,083
Lump sums for Retirements	\$ 284,567
Program Funds	\$ -
Other	\$ -
Total Reserved Cash Balance	\$ 11,408,698

Unreserved Cash Balance:	
Future Operations	\$ 5,679,470
Total Unreserved Cash Balance	\$ 5,679,470

Total Cash Balance	\$ 17,088,168
---------------------------	----------------------

Unreserved Cash / FY 2025 Monthly Budget	7.3
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Department of Savings and Mortgage Lending

Operating Statement and Budget Analysis For the Quarter Ending November 30, 2024

	FY2024 ACTUAL	FY 2025 BUDGET	QUARTER PERFORMANCE				FY 2025 PERFORMANCE			
			1st Quarter BUDGET	1st Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Thrift Industry										
Assessments	\$ 4,871,914	\$ 4,053,722	\$ 1,039,243	\$ 1,133,651	\$ (94,408)	109.1%	\$ 1,039,243	\$ 1,133,651	\$ (94,408)	109.1%
Application Fees	3,800	16,000	4,000	1,600	2,400	40.0%	4,000	1,600	2,400	40.0%
Mortgage Industry										
Licensing Fees	4,934,296	5,609,170	2,725,633	2,918,724	(193,091)	107.1%	2,725,633	2,918,724	(193,091)	107.1%
Administrative Penalties	50,100	-	-	22,149	(22,149)	0.0%	-	22,149	(22,149)	0.0%
Misc. Revenues	787,288	617,110	153,500	182,956	(29,456)	119.2%	153,500	182,956	(29,456)	119.2%
TOTAL REVENUES	\$ 10,647,398	\$ 10,296,002	\$ 3,922,376	\$ 4,259,079	\$ (336,703)	108.6%	\$ 3,922,376	\$ 4,259,079	\$ (336,703)	108.6%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 5,634,941	\$ 6,948,079	\$ 1,593,644	\$ 1,518,212	\$ 75,432	95.3%	\$ 1,593,644	1,518,212	\$ 75,432	95.3%
Employee Benefits	1,718,341	2,068,485	474,853	440,897	33,956	92.8%	474,853	440,897	33,956	92.8%
Add'l Health/Retirement	78,812	103,833	23,873	21,344	2,529	89.4%	23,873	21,344	2,529	89.4%
Other Personnel Costs	92,863	109,913	24,380	22,524	1,856	92.4%	24,380	22,524	1,856	92.4%
Subtotal Personnel Costs	\$ 7,524,958	\$ 9,230,310	\$ 2,116,750	\$ 2,002,977	\$ 113,773	94.6%	\$ 2,116,750	\$ 2,002,977	\$ 113,773	94.6%
Travel										
In-State	124,631	\$ 176,500	\$ 44,125	\$ 39,347	\$ 4,778	89.2%	\$ 44,125	39,347	\$ 4,778	89.2%
Out-of-State	36,568	60,000	15,000	11,439	3,561	76.3%	15,000	11,439	3,561	76.3%
Subtotal Travel	\$ 161,199	\$ 236,500	\$ 59,125	\$ 50,786	\$ 8,339	85.9%	\$ 59,125	\$ 50,786	\$ 8,339	85.9%
Operating Costs										
Professional Services	49,708	\$ 90,509	\$ 34,759	\$ 33,039	\$ 1,720	95.1%	\$ 34,759	33,039	\$ 1,720	95.1%
Consumables	5,790	8,500	2,125	1,692	433	79.6%	2,125	1,692	433	79.6%
Office Utilities	14,555	16,200	3,900	3,873	27	99.3%	3,900	3,873	27	99.3%
Rent - Space & Equipment	8,656	16,500	11,000	9,090	1,910	82.6%	11,000	9,090	1,910	82.6%
Communications	98,464	106,598	47,798	48,326	(528)	101.1%	47,798	48,326	(528)	101.1%
Information Technology	324,985	378,300	102,150	107,906	(5,756)	105.6%	102,150	107,906	(5,756)	105.6%
Employee Training	59,161	70,000	12,500	9,262	3,238	74.1%	12,500	9,262	3,238	74.1%
Misc. Operating Costs	126,337	142,585	19,400	17,887	1,513	92.2%	19,400	17,887	1,513	92.2%
Subtotal Operating Costs	\$ 687,656	\$ 829,192	\$ 233,632	\$ 231,075	\$ 2,557	98.9%	\$ 233,632	\$ 231,075	\$ 2,557	98.9%
TOTAL EXPENDITURES	\$ 8,373,812	\$ 10,296,002	\$ 2,409,507	\$ 2,284,839	\$ 124,668	94.8%	\$ 2,409,507	\$ 2,284,839	\$ 124,668	94.8%
EXPENDITURES (OVER)/ UNDER REVENUES	\$ 2,273,586	\$ -	\$ 1,512,869	\$ 1,974,241	\$ (461,372)		\$ 1,512,869	\$ 1,974,241	\$ (461,372)	

Department of Savings and Mortgage Lending

Budget Variance Analysis

For the Quarter Ending November 30, 2024

Revenues: Overall revenues are 8.6% over budget.

Thrift Application Fees – Amounts collected are 40.0% of budget due to lower application activity year-to-date.

Licensing Fees - Amounts collected are 7.1% over budget due to the higher than estimated volume of license renewal applications.

Miscellaneous Revenues – Actual amounts are 19.2% over budget, due to an increase of the collected depository interest.

Expenditures: Overall expenditures are 5.2% under budget.

Personnel Costs – The category is 5.4% under budget due to unfilled vacancies.

Travel – Travel costs incurred are 14.1% under budget due to lower volume of travel to exam locations and training events than budgeted.

Travel Breakdown – FY25			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$30,796.87	\$6,173.07	\$36,969.94
Development and Training	8,292.21	5,265.79	13,558.00
Other Regulatory Activities	0.00	0.00	0.00
Non-Employee Travel	258.23	0.00	258.23
Total	\$39,347.31	\$11,438.86	\$50,786.17

Department of Savings and Mortgage Lending

Liquidity Report For the Quarter Ending November 30, 2024

	ACTUAL
Cash at Beginning of Period	15,277,153
Revenues Over (Under) Expenditures	1,952,332
Increase (Decrease) in Payables	17,647
(Increase) Decrease in Receivables	(45,503)
Cash at End of Period	<u>17,201,629</u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	10,162,015
Payables (net of receivables)	788,543
Lump Sums for Retirements	223,371
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 11,173,929</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 6,027,700</u>
Total Unreserved Cash Balance	<u>\$ 6,027,700</u>
Total Cash Balance	<u>\$ 17,201,629</u>
Unreserved Cash/FY2025 Monthly Budget	7.03 months

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

	FY 2024 ACTUAL	FY 2025 BUDGET	QUARTER PERFORMANCE				FY 2025 PERFORMANCE			
			1st Quarter BUDGET	1st Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Bank & Trust Regulation	34,909,256	\$33,902,880	\$10,105,757	\$10,097,691	\$8,066	99.9%	\$10,105,757	\$10,097,691	\$8,066	99.9%
Penalties - Bank & Trust Regulation	13,000	0	0	0	0	0.0%	0	0	0	0.0%
Non-Depository Supervision	3,682,995	4,571,913	1,713,435	1,690,343	\$23,092	98.7%	1,713,435	1,690,343	23,092	98.7%
Penalties - Non-Depository Supervision	639,810	154,600	84,300	620,633	(536,333)	736.2%	84,300	620,633	(536,333)	736.2%
Miscellaneous Revenues	1,187,727	1,226,400	312,100	331,020	(18,920)	106.1%	312,100	331,020	(18,920)	106.1%
TOTAL REVENUES	40,432,788	\$39,855,793	\$12,215,592	\$12,739,686	(\$524,094)	104.3%	\$12,215,592	\$12,739,686	(\$524,094)	104.3%
EXPENDITURES										
Personnel Costs										
Employee Compensation	20,709,898	\$25,790,757	\$5,759,773	\$5,579,846	\$179,926	96.9%	\$5,759,773	\$5,579,846	\$179,926	96.9%
Employee Benefits	5,811,230	6,955,025	1,602,621	1,498,048	104,573	93.5%	\$1,602,621	\$1,498,048	104,573	93.5%
Add'l Health/Retirement	287,502	370,731	84,209	79,507	4,702	94.4%	\$84,209	\$79,507	4,702	94.4%
Other Personnel Costs	604,725	944,261	67,939	78,348	(10,410)	115.3%	67,939	78,348	(10,410)	115.3%
Subtotal Personnel Costs	27,413,355	\$34,060,775	\$7,514,541	\$7,235,750	\$278,791	96.3%	\$7,514,541	\$7,235,750	\$278,791	96.3%
Travel										
In-State	1,398,826	\$1,691,339	\$471,984	\$417,598	\$54,386	88.5%	\$471,984	\$417,598	\$54,386	88.5%
Out-of-State	455,110	705,998	145,231	127,213	18,018	87.6%	145,231	127,213	18,018	87.6%
Subtotal Travel	1,853,935	\$2,397,337	\$617,215	\$544,811	\$72,404	88.3%	\$617,215	\$544,811	\$72,404	88.3%
Operating Costs										
Professional Fees	296,725	\$642,224	\$68,186	\$66,151	\$2,034	97.0%	\$68,186	\$66,151	\$2,034	97.0%
Consumables	93,511	64,327	29,252	24,442	4,809	83.6%	29,252	24,442	\$4,809	83.6%
Office Utilities	36,517	40,718	19,260	18,897	363	98.1%	19,260	18,897	\$363	98.1%
Rent - Building/Space	449,695	458,066	151,365	148,888	2,477	98.4%	151,365	148,888	\$2,477	98.4%
Rent - Equipment/Other	31,702	29,960	5,740	5,488	252	95.6%	5,740	5,488	\$252	95.6%
Communications	288,633	335,367	80,573	87,282	(6,709)	108.3%	80,573	87,282	(\$6,709)	108.3%
Information Technology	632,953	790,050	247,495	247,494	1	100.0%	247,495	247,494	\$1	100.0%
Employee Training	165,807	273,978	47,966	47,659	307	99.4%	47,966	47,659	\$307	99.4%
Misc. Operating Costs	571,405	762,992	115,911	83,236	32,675	71.8%	115,911	83,236	32,675	71.8%
Subtotal Operating Costs	2,566,949	\$3,397,681	\$765,747	\$729,538	\$36,209	95.3%	\$765,747	\$729,538	\$36,209	95.3%
TOTAL EXPENDITURES	31,834,239	\$39,855,793	\$8,897,503	\$8,510,099	\$387,404	95.6%	\$8,897,503	\$8,510,099	\$387,404	95.6%
EXPENDITURES (OVER) / UNDER REVENUES	8,598,549	\$0	\$3,318,089	\$4,229,588	(\$911,498)		\$3,318,089	\$4,229,587	(\$911,498)	

Texas Department of Banking

Overview of Budget Variances for the First Quarter of Fiscal Year 2025 - (Variances in excess of \$1,000 and 5% from budget are reported).

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

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

Employee Benefits and Additional Health/Retirement Contribution – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of November 30, 2024 are listed below:

Administrative	8
Examiners	34

Other Personnel Costs – The negative variance is mainly due to an unanticipated resignation lump sum payment.

Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$185,808	\$57,534
Development and Training	217,090	62,919
Other Regulatory Activities	12,041	6,760
Non-Employee	2,659	0
Total	\$417,598	\$127,213

In-State Travel – The positive variance is due to: (1) realized efficiencies related to examiner assignments; (2) examiner vacancies; (3) fewer conducted examinations than anticipated; and (4) lower expenditures than budgeted for the in-house examiner training program.

Out-of-State Travel – The positive variance is mainly due to a conversion examination that did not occur and lower travel related training than anticipated. This positive variance was offset by higher MSB examination related travel expenditures than budgeted.

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

Communications – The negative variance is due to: (1) a miscategorized item that should have been budgeted under Miscellaneous Operating Costs and (2) a legislative service subscription expenditure to be reimbursed by the Office of Consumer Credit Commissioner and the Department of Savings and Mortgage Lending in the second quarter.

Misc. Operating Costs – The positive variance is due to: (1) lower than anticipated assessments from the State Office of Risk Management; (2) a budgeted unemployment claim expenditure that did not occur; and (3) a miscategorized item that should have been expended under Consumables.

TEXAS DEPARTMENT OF BANKING
Liquidity Report
For the Period Ending November 30, 2024

	Actual
Cash at Beginning of Period	\$28,472,824
Revenues Over (Under) Expenditures	4,229,588
Increase (Decrease) in Payables/Encumbrances	(487,325)
(Increase) Decrease in Receivables	44,584
Cash at End of Period	<u><u>\$32,259,670</u></u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$0
Long-term facilities planning	10,278,723
Payables (net of receivables)	2,392,484
Lump Sums for Retirements	923,154
Program Funds	0
Other	0
Total Reserved Cash Balance	<u><u>\$13,594,361</u></u>
Unreserved Cash Balance:	
Future Operations	18,665,310
Total Unreserved Cash Balance	<u><u>\$18,665,310</u></u>
Total Cash Balance	<u><u>\$32,259,670</u></u>
Unreserved Cash/FY2025 Monthly Budget	5.62 months



Texas Financial Education Endowment (TFEE)

TFEE Report – February 21, 2025

ACTIVITIES RELATING TO THE TEXAS FINANCIAL ENDOWMENT FUND

The 2024-2025 TFEE second grant cycle semi-annual reports were due at the end of January. Reimbursement requests are currently in the review process. The complete second semi-annual report will be available during the April Finance Commission meeting.

PLANNING FOR THE 2026-2027 GRANT CYCLE

The 2026-2027 grant application period will begin in the summer. The TFEE grant application and review processes are currently being evaluated. The timeline for the 2026-2027 TFEE grant cycle is as follows:

April 2025: The Grant Advisory Committee (GAC) will meet to discuss the 2026-2027 TFEE cycle. The GAC will review TFEE documents and agency staff will obtain feedback, edits, and comments. Comments on documents are due by the end of April.

May 2025: TFEE Grant Coordinator will review GAC feedback and incorporate as appropriate.

June 2025: At the June Finance Commission meeting, the TFEE Grant Coordinator will submit proposed revisions to the Grant Advisory and Policy Manual for Finance Commission approval and also present the overall funding recommendations for the 2026-2027 grant cycle. The 2026-2027 TFEE application period will be scheduled to start in June.

July 2025: 2026-2027 TFEE application period continues.

August 2025: 2026-2027 TFEE application submission deadline.

September 2025: The GAC will conduct application reviews and will meet to discuss applications, recommendations, and awards.

October 2025: The 2026-2027 TFEE Grant Cycle recommendations will be presented to the Finance Commission.

November 2025: TFEE Award Announcements.

December 2025: New Grantee Orientation Webinar.

January 2026: The 2026-2027 TFEE Grant Cycle begins.



Texas Financial Education Endowment (TFEE)

APPOINTMENT OF A NEW GRANT ADVISORY COMMITTEE MEMBER STEFANIE BEECOFF

The recommendation is to appoint Stefanie Beecoff as the Credit Access Business Representative to the GAC. Stefanie Beecoff would replace Ashley Minaudo, who was appointed in August 2023, and fill her unexpired term.

As the Vice President of Online Lending at Community Choice Financial (CCF), Stefanie Beecoff reports directly to the President and leads efforts related to the online lending portfolio and payment strategies. Based in Carrollton, TX, CCF is a leading omni-channel retailer of financial services to consumers through a network in over 20 states via the Internet, as well as over 1,500 retail storefronts across 15 states. With over a decade of experience in online lending, Stefanie has been firmly at the forefront of her field with a proven track record of success pairing customer needs with forward-looking solutions. With experience managing several large-scale online portfolios, Stefanie and her team work to bring consumer-centric financial products and experiences to market. Stefanie is a graduate of Bryant University and holds her MBA from Endicott College.

Mortgage Grant Fund Activities Report — January 31, 2025

Activities Relating to the Mortgage Grant Fund (MGF)

The 2023-2024 MGF grant cycle concluded its fourth and final semi-annual reporting and reimbursement period on December 30, 2024. Grant recipients were required to submit semi-annual reports, including reimbursement requests, by January 30, 2025.

The 2025-2026 MGF grant cycle began on January 1, 2025. Twelve grantees were selected to receive a combined \$710,000.00. All tentative grantees listed in the December 2024 MGF Activities Report signed and returned their grant agreements, solidifying the selections, terms, and award amounts listed in the report.

On January 2, 2025, SML hired Nicolette Shields, who assumed the role of the Grant Coordinator.

On January 13, 2025, the Grant Coordinator distributed an orientation training presentation to the 2025-2026 grantees. The presentation included topics such as risk assessments, semi-annual reports, and required forms. The presentation contained embedded videos for Grantees to watch at their convenience

Significant Milestones

January 2025	The 2025-2026 Grant Cycle began.
June 2025	One-year grantees undergo their mid-term risk assessment.
July 2025	2023-2024 Grant Cycle grantees must submit their Longitudinal Report no later than the end of the month. All grantees must submit their semi-annual reports no later than July 30 th .
January 2026	All grantees must submit their semi-annual reports no later than July 30 th . Two-year grantees undergo their mid-term risk assessment.
July 2026	Two-year grantees must submit their semi-annual reports no later than July 30 th . One-year grantees must submit their Longitudinal Report no later than the end of the month.
January 2027	Two-year grantees must submit their Longitudinal Report no later than the end of the month.