

# FINANCE COMMISSION OF TEXAS AUDIT COMMITTEE MEETING

Friday, December 12, 2025

8:30 a.m.

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

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*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 October 24, 2025 Audit Committee Meeting
- B. Review of Agencies' Activities
  - 1. Department of Savings and Mortgage Lending
  - 2. Texas Department of Banking
  - 3. Office of Consumer Credit Commissioner
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2026 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
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund
- E. Discussion of the Activities of the Mortgage Grant Fund
- 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

**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, October 24, 2025

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on October 24, 2025, 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. *(0:26 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the August 15, 2025 Audit Committee Meeting	David Osborn made a motion to Approve the Minutes of the August 15, 2025 Audit Committee Meeting. Rosie Morris seconded, and the motion passed.	0:46 Start of Discussion  1:00 Vote
B. Review of Agencies' Activities 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	No Action Required.	1:26  Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 Fourth Quarter Investment Officer Reports 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies' 2025 Fourth Quarter Investment Officer Reports. David Osborn seconded, and the motion passed.	8:04 Start of Discussion  9:30 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 Fourth Quarter Financial Statements 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	David Osborn made a motion to recommend that the Finance Commission Approve the Agencies' 2025 Fourth Quarter Financial Statements. Rosie Morris seconded, and the motion passed.	9:52 Start of Discussion  19:31 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund	Rosie Morris made a motion to recommend that the Finance Commission Approve the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment. David Osborn seconded, and the motion passed.	19:52 Start of Discussion  22:36 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve Charging Certain Expenses Against the Texas Financial Education Endowment for Grant Administration and Management	David Osborn made a motion to recommend that the Finance Commission Approve the Charging Certain Expenses Against the Texas Financial Education Endowment for Grant Administration and Management. Rosie Morris seconded, and the motion passed.	23:01 Start of Discussion  25:05 Vote
G. 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.	25:39 Start of Discussion
H. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	26:09 Start of Discussion
I. 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 Kathleen Fields called an Executive Session at 8:57 a.m. (27:18 on the audio file). The open meeting resumed at 9:32 a.m. (28:43 on audio file)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Kathleen Fields adjourned the meeting at 9:32 a.m. (29:03 on audio file).

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Kathleen Fields, Chairman, Audit Committee  
Finance Commission of Texas

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Charles G. Cooper, Executive Director  
Finance Commission of Texas

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Ruth Wright, Executive Assistant  
Finance Commission of Texas

## Department of Savings and Mortgage Lending

### Audit Activities Report as of November 30, 2025

<b>Auditor:</b>	<i>Garza/Gonzales and Associates</i>	<b>Audit Report Date:</b>	<i>N/A</i>
<b>Audit Area:</b>	<i>All areas – Risk Assessment</i>		
<b>Recommendations:</b>	<b>Status Update:</b>		
<i>N/A</i>	<i>Completed.</i>		
<b>Auditor:</b>	<i>Garza/Gonzales and Associates</i>	<b>Audit Report Date:</b>	<i>June 19, 2025</i>
<b>Audit Area:</b>	<i>Thrift Examinations</i>		
<b>Recommendations:</b>	<b>Status Update:</b>		
<i>Document certain procedures.</i>	<i>Scheduled. To be completed by December 31, 2025.</i>		
<b>Auditor:</b>	<i>DIR - Science Applications International Corporation (SAIC)</i>	<b>Audit Report Date:</b>	<i>N/A</i>
<b>Audit Area:</b>	<i>Information Resources</i>		
<b>Recommendations:</b>	<b>Status Update:</b>		
<i>N/A</i>	<i>Planned. Controlled Penetration Test and Web Application Vulnerability Scan to be performed in February 2026.</i>		

**Texas Department of Banking**  
**Audit Activities Report**  
**As of November 30, 2025**

<b>Auditor:</b>	<b>State Auditor's Office</b>	<b>Audit Report Date:</b> <i>June 17, 2025</i>
<b>Audit Area:</b>	<i>An Audit of the Department of Banking: A Self-Directed, Semi- Independent Agency</i>	
<b>Findings/Recommendation:</b>	<b>Status Update:</b>	
Develop, Implement, and Document a Process to Periodically Monitor the Status of Penalties Assessed for Bank & Trust Division	<i><b>In Progress:</b> The Legal division has created new processes and procedures to oversee penalty monitoring department wide. MIS is finalizing the software enhancements needed to better track penalties and verify payment(s) are received in accordance with the order. Enhancements have been successfully tested, allowing Legal to track and verify payments in accordance with the new processes and procedures. Email notifications and reporting capabilities are planned for the next phase of enhancements to be completed by calendar year-end 2025.</i>	
<b>Auditor:</b>	<b>Garza/Gonzalez &amp; Associates</b>	<b>Audit Report Date:</b> <i>NA</i>
<b>Audit Area:</b>	<i>Risk Assessment</i>	
<b>Findings:</b>	<b>Status Update:</b>	
NA	<i>Completed. Proposed FY 2026 Audit Plan included in meeting materials.</i>	

**Texas Office of Consumer Credit Commissioner**  
**Audit Activities Report**  
**As of November 30, 2025**

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<b>Auditor:</b> <i>Garza/Gonzalez</i>	<b>Audit Report Date:</b> <i>July 18, 2025</i>
<hr/>	
<b>Audit Area:</b> <i>Business Licensing</i>	
<hr/>	
<b>Findings:</b> <i>The OCCC should perform quarterly reconciliations of the number of applications.</i>	<b>Status Update:</b> <i>The OCCC will refine the process by December 31, 2025.</i>
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<b>Auditor:</b> <i>Garza/Gonzalez</i>	<b>Audit Report Date:</b> <i>November 17, 2025</i>
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<b>Audit Area:</b> <i>Risk Assessment</i>	
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<b>Findings:</b> <i>NA</i>	<b>Status Update:</b> <i>Complete. Report included in meeting materials.</i>
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## **FINANCE COMMISSION**

Austin, Texas

### **INTERNAL AUDIT PLAN**

For Fiscal Year 2026



**FINANCE COMMISSION**  
Austin, Texas

Internal Audit Plan  
For Fiscal Year 2026

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Finance Commission and Audit Committee Members  
Finance Commission of Texas  
Austin, Texas

Enclosed is the Finance Commission's proposed Internal Audit Plan (Plan) that was prepared for audits and other functions to be performed in fiscal year 2026 for the Texas Department of Banking (DOB), Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC). This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2026. Specific planning for audit procedures is a naturally ongoing process; thus, the Plan is reviewed annually and may be revised by the Finance Commission or Audit Committee, as necessary.

This Plan has been prepared by Garza/Gonzalez & Associates, LLC, an independent Certified Public Accounting firm, following Generally Accepted Government Auditing Standards, International Standards for the Professional Practice of Internal Auditing, and the Institute of Internal Auditors' Code of Ethics contained in the Professional Practices Framework.

*Garza/Gonzalez*  
*& Associates, LLC*

November 17, 2025

# FINANCE COMMISSION

Austin, Texas

## Internal Audit Plan For Fiscal Year 2026

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### I. Methodology

The Finance Commission is responsible for overseeing and coordinating the activities of the Texas Department of Banking (DOB), the Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC), which are financial regulatory agencies. The 3 agencies were granted a self-directed, semi-independent (SDSI) status by the Legislature. Under this SDSI status, each agency is responsible for its operational costs, prohibited from incurring any costs to the general revenue fund, operating independently from the legislative budgeting process. However, the Finance Commission retains the responsibility of establishing their spending authority and limits. Each agency relies entirely on fees assessed to the businesses they regulate to generate operating funds, which are then utilized to cover both direct and indirect costs.

This fiscal year 2026 Internal Audit Plan (Plan) encompasses all 3 agencies, and was developed using a risk assessment process, where we reviewed various documents and questionnaires completed by the Audit Committee Chair, management, and other staff from each of the 3 agencies, as documented below.

The following documents from the 3 agencies were reviewed and considered in our risk assessment process:

- Organizational Charts
- Operating Budgets
- Policies, Procedures, and Processes
- Applicable Laws and Rules
- Audit and/or Monitoring Reports from Third Party Agencies
- Prior Internal Audit Reports
- Finance Commission and Audit Committee Minutes

Questionnaires were developed for completion by the Finance Commission's Audit Committee Chair, Commissioners, a Deputy Commissioner, Division Directors, and other staff to update our understanding of each division, and its role within the overall scheme of the respective agency. The information obtained included topics; such as, changes in significant processes, systems, or key personnel; time elapsed since last audit or review; status from past audits or reviews; and, regulatory compliance requirements (i.e., TAC 202, *Information Security Standards* and contract management). Utilizing information obtained through the completed questionnaires and background information reviewed, audit areas for each of the 3 agencies were identified as the potential audit topics. A risk analysis was completed for each individual audit topic and then compiled to develop an overall risk assessment for each of the 3 agencies.

## FINANCE COMMISSION

### Internal Audit Plan

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The following 8 risk factors were considered for each potential audit topic:

Risk Factor	Description
1. Materiality	Measure of the auditable unit's <i>financial</i> materiality based on the dollar amount per year of assets, receipts, or disbursements for which the unit is responsible, or the license/charter holders' assets that the unit supervises; or, <i>non-financial</i> materiality based on the degree of its responsibility related to the agency's primary mission.
2. Time Since Last Audit or Review	Measure of the number of years between the date of the previous audit or review and the date of the risk assessment.
3. Results of Prior Audit or Review	Measure of the results and status of prior audits or reviews.
4. Personnel	Measure of personnel changes and the adequacy of the auditable unit's staffing level as it relates to the achievement of its objectives.
5. Policies & Procedures and Processes	Measure of established internal controls (policies and procedures documenting the auditable unit's activities) and changes in processes and systems.
6. Compliance Requirements	Measure of the complexity of contracts, laws, and/or regulations for which the auditable unit is responsible for ensuring compliance.
7. Fraud, Waste, or Abuse	Measure of the auditable unit's risks and controls in place as it relates to fraud, waste, or abuse.
8. Commission & Management Feedback	Measure of feedback expressed in completed questionnaires.

**II. Audit Scope**

In accordance with the **International Standards for the Professional Practice of Internal Auditing**, the audit scope will encompass the examination and evaluation of the adequacy and effectiveness of the respective agency's system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope, as applicable, considers the following objectives:

- **Reliability and Integrity of Financial and Operational Information** – Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- **Compliance with Policies, Procedures, Laws, Regulations, and Contracts** – Review the systems established to ensure compliance with those policies, procedures, laws, regulations, and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
- **Safeguarding of Assets** – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- **Effectiveness and Efficiency of Operations and Programs** – Appraise the effectiveness and efficiency with which resources are employed.
- **Achievement of the Organization's Strategic Objectives** – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

## FINANCE COMMISSION

### Internal Audit Plan

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### III. Texas Department of Banking (DOB)

#### Risk Assessment

Using information obtained from the completed questionnaires and the background information reviewed, 18 audit areas were identified as the potential audit topics. A risk analysis was performed for each area using the 8 risk factors described in section I of this report, and the results were compiled to develop DOB's overall risk assessment.

Following are the results of the risk assessment performed for the 18 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Bank Examinations Legal – Penalty Monitoring Asset Management IT Examinations Revenue Accounting Process	Consumer Assistance Financial Reporting	Travel Procurement and Contract Management Management Information Systems (MIS) – IT General Controls and Disaster Recovery Plan Payroll and Human Resources Imaging & Records Management Prepaid Funeral Guaranty Fund Trust Examinations Corporate Activities Money Services Businesses Perpetual Care Cemeteries Prepaid Funeral Contracts

This report includes the “Risk Assessment Summary” as Attachment A-1; and, the “History of Areas Audited” as Attachment B-1, which lists audits and/or reviews performed from fiscal year 2016 through 2025 for the above 18 potential audit topics.

In the prior 3 years, the following *internal audit functions* were performed:

#### Fiscal Year 2025:

- Risk Assessment & Preparation of the Internal Audit Plan
- Revenue Accounting Process – Non-Depository Supervision (NDS) Audit
- Money Services Businesses (MSB) Audit
- Follow-up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

#### Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Payroll and Human Resources Audit
- Trust Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

#### Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- Corporate Activities Audit
- Procurement and Contract Management
- Preparation of the Internal Audit Annual Report

## FINANCE COMMISSION

### Internal Audit Plan

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#### Internal Audit Plan

In addition to completing the Fiscal Year (FY) 2026 risk assessment as the basis for preparation of this Internal Audit Plan (Plan), the Plan includes one audit to be performed, a follow-up on the prior year audit recommendations, preparation of the FY 2026 Internal Audit Annual Report, and a special assignment outlined in the “Other Tasks” section.

The following audit and activities are recommended for fiscal year 2026:

1. Completion of the Fiscal Year 2026 Risk Assessment and Development of the Internal Audit Plan  
Perform the FY 2026 risk assessment and use the results to develop this Internal Audit Plan in accordance with applicable standards.
2. Consumer Assistance Audit  
An audit of this area will be conducted to assess whether DOB’s policies, procedures, and internal controls are designed and operating effectively to ensure the proper receipt, review, response, resolution, and closure of consumer complaints and other consumer assistance requests in accordance with state requirements and Finance Commission mandates.
3. Follow-Up of Prior Year Internal Audit Recommendations  
Follow-up procedures will be performed to determine the implementation status of prior year audit recommendations that were not fully implemented as of August 31, 2025. Each recommendation will be classified as: (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.
4. Preparation of the FY 2026 Internal Audit Annual Report  
The FY 2026 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor’s Office, and in compliance with the Texas Internal Auditing Act.
5. Other Tasks  
*Liquidity Reports Reconciliation Validation*  
A validation of the management-prepared reconciliations for the quarterly liquidity reports for fiscal years 2024 and 2025 will be performed. Management will be responsible for preparing all reconciliations and providing the supporting documentation for reported cash inflows, outflows, and changes in payables and receivables.  
  
The validation will include confirming that amounts reported on the quarterly liquidity reports are supported by underlying documentation, that reconciling items are properly identified and substantiated, and that no unsupported amounts are included.



**FINANCE COMMISSION**  
Internal Audit Plan

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**IV. Department of Savings and Mortgage Lending (SML)**

**Risk Assessment**

Using information obtained from the completed questionnaires and the background information reviewed, 13 audit areas were identified as the potential audit topics. A risk analysis was performed for each area using the 8 risk factors described in section I of this report, and the results were compiled to develop SML's overall risk assessment.

Following are the results of the risk assessment performed for the 13 potential audit topics identified:

<b>HIGH RISK</b>	<b>MODERATE RISK</b>	<b>LOW RISK</b>
Thrift Supervision and Compliance	Procurement and Contract Management Payroll and Human Resources Mortgage Examinations Records Management Legal & Enforcement Thrift Examinations	Revenue Accounting Process Mortgage Licensing & Registration MIS (Includes IT General Controls and Disaster Recovery Plan) Financial Reporting (Includes Asset Management & Travel) Consumer Responsiveness Mortgage Grant Fund Administration

This report includes the "Risk Assessment Summary" as Attachment A-2; and, the "History of Areas Audited" as Attachment B-2, which lists audits and/or reviews performed from fiscal year 2016 through 2025 for the above 13 potential audit topics.

In the prior 3 years, the following *internal audit functions* were performed:

Fiscal Year 2025:

- Risk Assessment & Preparation of the Internal Audit Plan
- Thrift Examinations Audit
- Follow-up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Mortgage Grant Fund Administration Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- Mortgage Examinations Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

## FINANCE COMMISSION

### Internal Audit Plan

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#### Internal Audit Plan

In addition to completing the Fiscal Year (FY) 2026 risk assessment as the basis for preparation of this Internal Audit Plan (Plan), the Plan includes one audit to be performed, a follow-up on the prior year audit recommendations, preparation of the FY 2026 Internal Audit Annual Report, and other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management throughout the year.

The following audit and activities are recommended for fiscal year 2026:

1. Completion of the Fiscal Year 2026 Risk Assessment and Development of the Internal Audit Plan  
Perform the FY 2026 risk assessment and use the results to develop this Internal Audit Plan in accordance with applicable standards.
2. Thrift Supervision and Compliance Audit  
An audit of this area will be conducted to evaluate whether the policies, procedures, and internal controls established by the Thrift Supervision area are designed and operating effectively to provide reasonable assurance that thrift institutions are regulated and supervised in accordance with applicable state laws, regulations, and the Texas Finance Code.
3. Follow-Up of Prior Year Internal Audit Recommendations  
Follow-up procedures will be performed to determine the implementation status of prior year audit recommendations that were not fully implemented as of August 31, 2025. Each recommendation will be classified as: (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.
4. Preparation of the FY 2026 Internal Audit Annual Report  
The FY 2026 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor's Office, and in compliance with the Texas Internal Auditing Act.
5. Other Tasks  
Perform other tasks as may be assigned by the Finance Commission, Audit Committee, or executive management during the year.

## FINANCE COMMISSION

### Internal Audit Plan

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#### V. Office of Consumer Credit Commissioner (OCCC)

##### Risk Assessment

Using information obtained from the completed questionnaires and the background information reviewed, 12 audit areas were identified as the potential audit topics. A risk analysis was performed for each area using the 8 risk factors described in section I of this report, and the results were compiled to develop OCCC's overall risk assessment.

Following are the results of the risk assessment performed for the 12 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Procurement and Contract Management Business Registration & Professional Licensing	TFEE Fund Grant Administration Legal and Enforcement Examinations Fiscal Division (Includes Asset Management & Travel Revenue Accounting Process	Payroll and Human Resources Business Licensing Information Technology – IT General Controls and Disaster Recovery Plan Complaint Intake and Investigation Records Management

This report includes the “Risk Assessment Summary” as Attachment A-3; and, the “History of Areas Audited” as Attachment B-3, which lists audits and/or reviews performed from fiscal year 2016 through 2025 for the above 12 potential audit topics.

In the prior 3 years, the following *internal audit functions* were performed:

##### Fiscal Year 2025:

- Risk Assessment & Preparation of the Internal Audit Plan
- TFEE Fund Investment Portfolio Administration Audit (*Required Periodic Audit*)
- Business Licensing Audit
- Follow-up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

##### Fiscal Year 2024:

- Risk Assessment & Preparation of the Internal Audit Plan
- Examinations: Data Collection Area Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

##### Fiscal Year 2023:

- Risk Assessment & Preparation of the Internal Audit Plan
- TFEE Fund Investment Portfolio Administration Audit (*Required Periodic Audit*)
- Human Resources and Payroll Audit
- Follow-Up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

## FINANCE COMMISSION

### Internal Audit Plan

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#### Internal Audit Plan

In addition to completing the Fiscal Year (FY) 2026 risk assessment as the basis for preparation of this Internal Audit Plan (Plan), the Plan includes one audit to be performed, a follow-up on the prior year audit recommendations, preparation of the FY 2026 Internal Audit Annual Report, and other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management throughout the year.

The following audit and activities are recommended for fiscal year 2026:

1. Completion of the Fiscal Year 2026 Risk Assessment and Development of the Internal Audit Plan  
Perform the FY 2026 risk assessment and use the results to develop this Internal Audit Plan in accordance with applicable standards.
2. Procurement and Contract Management  
An audit of this area will be conducted to evaluate whether the policies, procedures, and internal controls within the Procurement area are designed and operating effectively to provide reasonable assurance that OCCC's procurement of goods and services complies with applicable state statutes and rules.
3. Follow-Up of Prior Year Internal Audit Recommendations  
Follow-up procedures will be performed to determine the implementation status of prior year audit recommendations that were not fully implemented as of August 31, 2025. Each recommendation will be classified as: (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete/Ongoing; or, (4) Not Implemented.
4. Preparation of the FY 2026 Internal Audit Annual Report  
The FY 2026 Internal Audit Annual Report will be prepared in the format prescribed by the State Auditor's Office, and in compliance with the Texas Internal Auditing Act.
5. Other Tasks  
Perform other tasks as may be assigned by the Finance Commission, Audit Committee, or executive management during the year.

## **ATTACHMENTS**

**TEXAS DEPARTMENT OF BANKING**  
**Risk Assessment Summary**  
**For Fiscal Year 2026**

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%
RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC		Time Since		Results of		Policies		Compliance		Fraud Waste		Commission &		Total				
		Materiality	Review	Last Audit or	Prior Audit	Procedures	Requirements	or Abuse	Management									
Review																		
High Risk: > 163																		
1	Bank Examinations	3	30.00	2	34.00	1	13.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	177.00
2	Legal - Penalty Monitoring	1	10.00	1	17.00	2	26.00	1	12.00	3	48.00	2	24.00	2	18.00	2	22.00	177.00
3	Asset Management	2	20.00	2	34.00	1	13.00	1	12.00	2	32.00	1	12.00	2	18.00	3	33.00	174.00
4	IT Examinations	3	30.00	2	34.00	1	13.00	2	24.00	1	16.00	3	36.00	1	9.00	1	11.00	173.00
5	Revenue Accounting Process	3	30.00	1	17.00	2	26.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	166.00
Moderate Risk: 149 - 163																		
6	Consumer Assistance	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	3	33.00	161.00
7	Financial Reporting	1	10.00	2	34.00	1	13.00	2	24.00	1	16.00	2	24.00	1	9.00	2	22.00	152.00
Low Risk: < 149																		
8	Travel	2	20.00	2	34.00	1	13.00	2	24.00	1	16.00	1	12.00	2	18.00	1	11.00	148.00
9	Procurement and Contract Management	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	2	24.00	2	18.00	1	11.00	147.00
10	Management Information Systems (MIS) - IT General Controls and Disaster Recovery Plan	2	20.00	1	17.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	143.00
11	Payroll and Human Resources	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	141.00
12	Imaging & Records Management	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00
13	Prepaid Funeral Guaranty Fund	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00
14	Trust Examinations	2	20.00	1	17.00	1	13.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	134.00
15	Corporate Activities	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	132.00
16	Money Service Businesses	3	30.00	1	17.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	132.00
17	Perpetual Care Cemeteries	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	129.00
18	Prepaid Funeral Contracts	1	10.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	129.00

**Risk Factor Rating:**

- 1 - Low Risk
- 2 - Moderate Risk
- 3 - High Risk

**DEPARTMENT OF SAVINGS AND MORTGAGE LENDING**  
**Risk Assessment Summary**  
**For Fiscal Year 2026**

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%
RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC			Materiality		Time Since Last Audit or Review		Results of Prior Audit or Review		Personnel		Policies Procedures and Processes		Compliance Requirements		Fraud Waste or Abuse		Commission & Management Feedback		Total
High Risk: > 183																			
1	Thrift Supervision and Compliance	3	30.00	3	51.00	2	26.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	207.00	
Moderate Risk: 159 - 183																			
2	Procurement and Contract Management	2	20.00	2	34.00	1	13.00	2	24.00	2	32.00	2	24.00	2	18.00	1	11.00	176.00	
3	Payroll and Human Resources	3	30.00	2	34.00	1	13.00	1	12.00	2	32.00	2	24.00	2	18.00	1	11.00	174.00	
4	Mortgage Examinations	3	30.00	1	17.00	1	13.00	3	36.00	1	16.00	3	36.00	1	9.00	1	11.00	168.00	
5	Records Management	2	20.00	2	34.00	1	13.00	2	24.00	2	32.00	1	12.00	2	18.00	1	11.00	164.00	
6	Legal & Enforcement	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	161.00	
7	Thrift Examinations	3	30.00	1	17.00	1	13.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	160.00	
Low Risk: < 159																			
8	Revenue Accounting Process	3	30.00	1	17.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	153.00	
9	Mortgage Licensing & Registration	2	20.00	2	34.00	1	13.00	2	24.00	1	16.00	2	24.00	1	9.00	1	11.00	151.00	
10	MIS (Includes IT General Controls and Disaster Recovery Plan)	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	2	24.00	2	18.00	1	11.00	147.00	
11	Financial Reporting (Includes Asset Management & Travel)	1	10.00	1	17.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	2	22.00	144.00	
12	Consumer Responsiveness	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00	
13	Mortgage Grant Fund Administration	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	1	12.00	2	18.00	1	11.00	135.00	

**Risk Factor Rating:**

- 1 - Low Risk
- 2 - Moderate Risk
- 3 - High Risk

**OFFICE OF CONSUMER CREDIT COMMISSIONER**  
**Risk Assessment Summary**  
**For Fiscal Year 2026**

RISK FACTOR WEIGHT							
10.00%	17.00%	13.00%	12.00%	16.00%	12.00%	9.00%	11.00%

RISK FACTORS							
1	2	3	4	5	6	7	8

POTENTIAL AUDIT TOPIC		Materiality		Time Since		Results of		Personnel		Policies		Compliance		Fraud Waste		Commission &		Total
				Last Audit or	Review	Prior Audit	or Review			Procedures and	Processes					Requirements	or Abuse	
High Risk: > 167																		
1	Procurement and Contract Management	2	20.00	3	51.00	2	26.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	178.00
2	Business Registration & Professional Licensing	2	20.00	3	51.00	2	26.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	169.00
Moderate Risk: 157 - 167																		
3	TFEE Fund Grant Administration	2	20.00	3	51.00	2	26.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	166.00
4	Legal and Enforcement	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	161.00
5	Examinations	3	30.00	1	17.00	1	13.00	1	12.00	2	32.00	3	36.00	1	9.00	1	11.00	160.00
6	Fiscal Division (Includes Asset Management & Travel)	1	30.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	158.00
7	Revenue Accounting Process	3	30.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	2	18.00	1	11.00	158.00
Low Risk: < 157																		
8	Payroll and Human Resources	3	30.00	1	17.00	1	13.00	2	24.00	1	16.00	2	24.00	2	18.00	1	11.00	153.00
9	Business Licensing	2	20.00	1	17.00	2	26.00	1	12.00	1	16.00	3	36.00	1	9.00	1	11.00	147.00
10	Information Technology - IT General Controls and Disaster Recovery Plan	2	20.00	1	17.00	1	13.00	1	12.00	2	32.00	2	24.00	2	18.00	1	11.00	147.00
11	Complaint Intake and Investigation	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	2	24.00	1	9.00	1	11.00	139.00
12	Records Management	2	20.00	2	34.00	1	13.00	1	12.00	1	16.00	1	12.00	2	18.00	1	11.00	136.00

**Risk Factor Rating:**

- 1 - Low Risk
- 2 - Moderate Risk
- 3 - High Risk



**TEXAS DEPARTMENT OF BANKING**  
**History of Areas Audited**  
**For Fiscal Year 2026**

	POTENTIAL AUDIT TOPIC	Fiscal Year Audited/Reviewed									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	Asset Management		A	C*			C*				
2	Bank Examinations		A/B*	E				A			B*
3	Consumer Assistance			E			A				
4	Corporate Activities			E					A		
5	Financial Reporting		B	E*							B*
6	Imaging and Records Management	A				A					
7	IT Examinations	A		E				A			
8	Legal - Penalty Monitoring										A*/B*
9	Management Information Systems (MIS) - IT General Controls and Disaster Recovery Plan <sup>1</sup>		B	E*	A1*/D		A*/D		D	D*	D
10	Money Services Businesses		B*	E	A1*	A*					A
11	Payroll and Human Resources			C*/F*	F*		C*			A/F*	B*/C1*
12	Perpetual Care Cemeteries		B*	E	A1*	A*					
13	Prepaid Funeral Contracts		B*	E	A1*	A*					
14	Prepaid Funeral Guaranty Fund			A/E	A1*	A*					
15	Procurement and Contract Management		B*	C*			C*		A		B*/C1*
16	Revenue Accounting Process		B	E	A1*	A					A*/B*
17	Travel		B*	C*/E*			C*				B*/C1*
18	Trust Examinations			A/E						A	B*

<sup>1</sup> Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

**Note:** Performance Measures are included in the scope of the applicable audit area(s).

**Legend (audits/reviews with an asterisk are considered limited scope for the audit area)**

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** Post-Payment audit performed by the Comptroller of Public Accounts (CPA).
- C1** Post-Payment audit follow-up performed by the CPA.
- D** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- E** Sunset Review performed by the Sunset Advisory Commission.
- F** Review performed by the Texas Workforce Commission.

**DEPARTMENT OF SAVINGS AND MORTGAGE LENDING**  
**History of Areas Audited**  
**For Fiscal Year 2026**

POTENTIAL AUDIT TOPIC		Fiscal Year Audited/Reviewed									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	Consumer Responsiveness		B*	D							B*
2	Financial Reporting (includes Asset Management & Travel)		B	D*/E*							B/E*
3	Legal & Enforcement		B	D				A			B*
4	MIS - IT General Controls and Disaster Recovery Plan <sup>1</sup>	A	B*	C/D*	A1*		C		C	C*	C
5	Mortgage Examinations (to include Training)		B*	D			G*		A		B
6	Mortgage Grant Fund Administration									A	
7	Mortgage Licensing and Registration (Mortgage and Servicers)		B*	D			G*				
8	Payroll and Human Resources			E*	F*						B* / F* / E*
9	Procurement and Contract Management		B	E*/D*			A				B* / E*
10	Records Management					A					
11	Revenue Accounting Process		B	D*							B
12	Thrift Examinations (to include Training)		A	D							A/B*
13	Thrift Supervision and Compliance		B*	A/D							

<sup>1</sup> Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

**Note:** Performance Measures are included in the scope of the applicable audit area(s).

**Legend (audits/reviews with an asterisk are considered limited scope for the audit area)**

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** Post Payment Audit performed by the Comptroller of Public Accounts (CPA).
- F** Review performed by the Texas Workforce Commission.
- G** Mortgage accreditation review performed by the Conference of State Bank Supervisors.

**OFFICE OF CONSUMER CREDIT COMMISSIONER**  
**History of Areas Audited**  
**For Fiscal Year 2026**

	POTENTIAL AUDIT TOPIC	Fiscal Year Audited/Reviewed									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	Business Licensing		B*	D							A
2	Business Registration & Professional Licensing		A*/B*	D							
3	Complaint Intake and Investigation			D				B*			
4	Examinations	A*		A*/D				A*		A	
5	Fiscal Division (Includes Asset Management & Travel)		B	C*/D*		C1*	A*	B			
6	Legal and Enforcement		B*	D				B*			
7	Information Technology - IT General Controls and Disaster Recovery Plan <sup>1</sup>		B*	D*	A1*		E	B*	E		E
8	Payroll and Human Resources			C*	F*				A		F*
9	Procurement and Contract Management		B	C*/D*							
10	Records Management					A					
11	Revenue Accounting Process		B	D				B			
12	TFEE Fund Grant Administration		A*	D							
<i>Required Periodic Audit</i>											
13	TFEE Fund Investment Portfolio Administration		A	D	A1		A		A		A

<sup>1</sup> Periodic vulnerability scans are performed by the DIR or a third-party procured through the DIR, which are considered standardized reviews and therefore not reflected in this schedule by year.

**Note:** 1. Performance Measures are included in the scope of the applicable audit area(s).

2. Effective FY23 —

- All examinations-related areas were combined into the "Examinations" auditable area.
- Business Registration and Professional Licensing were combined into the "Business Registration & Professional Licensing" auditable area.

**Legend (audits/reviews with an asterisk are considered limited scope for the audit area)**

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** Post-Payment audit performed by the Comptroller of Public Accounts (CPA).
- C1** Overpayment Recovery audit performed by the CPA.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- F** Policy review performed by the Texas Workforce Commission.

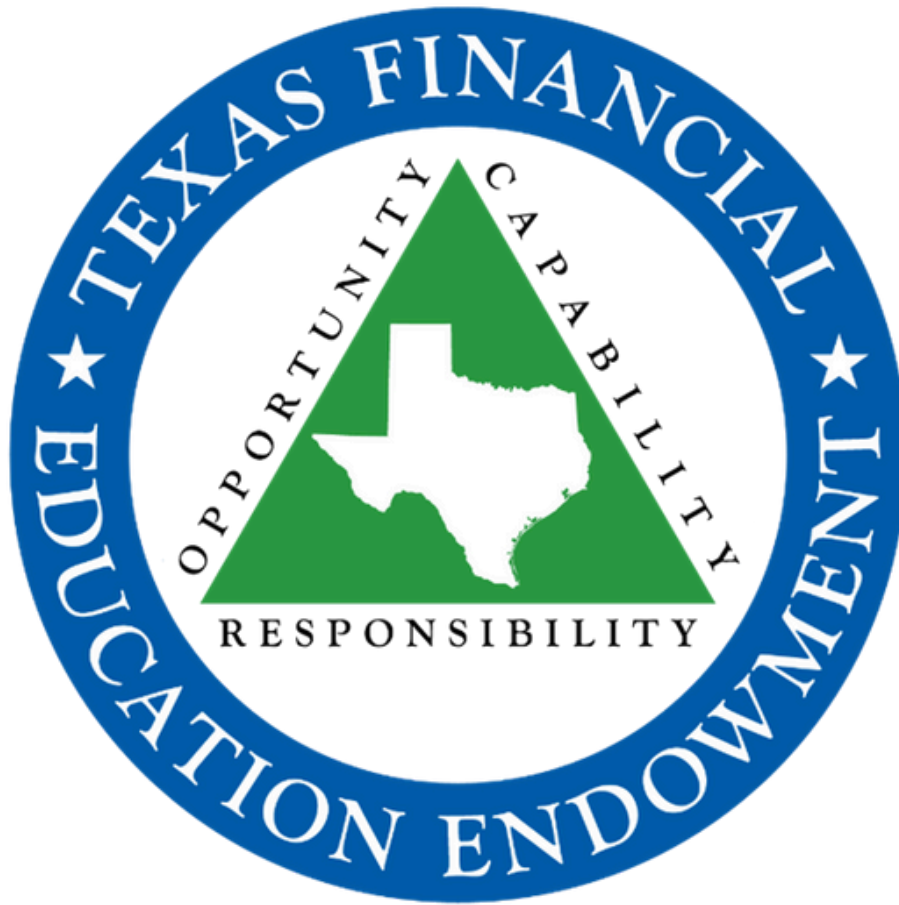
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## Texas Financial Education Endowment (TFEE)


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

The fourth and final 2024-2025 grant cycle will end on December 31, 2025, and grant reimbursement requests are due by January 30, 2026. From January 1, 2024-November 1, 2025, TFEE has reimbursed a total of \$433,684.03 to organizations delivering financial education across Texas. The third semi-annual report is included in this packet. OCCC staff are updating grantee reporting documents in preparation for the 2026-2027 grant cycle, which begins on January 1, 2026.



⋮ **2024-2025 GRANT CYCLE** ⋮

— **SEMI-ANNUAL REPORT NO.3** —  
**JANUARY 1, 2025 - JUNE 30, 2025**



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### **Grant Advisory Committee**

Laura Rosen, Consumer Advocate Representative  
Roselyn Morris, Finance Commission Representative  
Laura Nassri Warren, Finance Commission Representative  
Linda Davis-Demas, Financial Education Consultant  
Stefanie Beecoff, Credit Access Business Representative

### **Grant Coordinator**

Treshayla Wilson, Office of Consumer Credit Commissioner

### **2024-2025 TFE Grant Recipients**

Center for Transforming Lives	Financial Coaching
Foundation Communities	Adult Financial Education & Capability
Girl Scouts of Northeast Texas	K-12 Financial Education & Capability
Grace After Fire	Adult Financial Education & Capability
Houston Area Women's Center	Financial Coaching
My Possibilities	Adult Financial Education & Capability
Panhandle Community Services	Adult Financial Education & Capability
Pockets Change	K-12 Financial Education & Capability
RAISE Texas	Financial Coaching
Region One Education Service Center	Adult Financial Education & Capability



## **2024-2025 Grant Summary**

The Texas Financial Education Endowment awarded 10 organizations an aggregate amount of \$735,700 in funds for program activities related to the 2024-2025 grant cycle. These organizations promote and strengthen financial education and capability across Texas.

During the third reporting period (January 1 - June 30, 2025), grant funds were used to provide more than 2,100 hours of direct financial education training to over 1,800 Texas consumers through group presentations and one-on-one financial coaching sessions.

<b>TFEE Progress</b>	<b>Amount Awarded: \$735,700</b>
<b>Reimbursement Requests No.2</b>	<b>(January 1, 2025 - June 30, 2025)</b>
Center for Transforming Lives	\$9,951.97
Foundation Communities	\$11,618.80
Girl Scouts of Northeast Texas	\$1,868.64
Grace After Fire	\$22,071.65
Houston Area Women's Center	\$15,309.47
My Possibilities	\$24,227.49
Panhandle Community Services	\$2,075.51
Pockets Change	\$12,319.60
RAISE Texas	\$14,103.57
Region One Education Service Center	\$24,285.17
<b>Total Requested Amount for Reimbursement No.2:</b>	\$137,831.87
<b>Total Requested (January 1, 2024-November 1, 2025) :</b>	<b>\$433,684.03</b>
<b>% of Funds Expended to Date:</b>	58.9%
<b>Amount of Funds Remaining:</b>	<b>\$302,015.97</b>

# Center for Transforming Lives



The goal of the Center for Transforming Lives Financial Coaching program is to improve the overall short-term and long-term financial health of the participants and their families as evidenced by achieving objectively measured financial indicators. By providing families with financial coaching and access to CTL's comprehensive wrap around services, Center for Transforming Lives aims to disrupt the generational cycle of poverty and launch thousands of families upon the path of financial independence.

Center for Transforming Lives hired a new Economic Mobility Services Manager and introduced a new milestone-based roadmap. This roadmap helps clients understand where they are in their financial journey and what steps come next. Participation engagement and outcomes increased, and CTL was able to serve 144 participants, delivering 474 hours of one-on-one coaching across 658 sessions.



# Foundation Communities



The purpose of Foundation Communities (FC) Financial Wellness programming is to provide low-income clients and their families with tools and support to build and strengthen their financial capability. The Financial Wellness programming is part of FC's Prosper Centers - a larger suite of services that includes Tax Help, College Hub and Health Coverage. Prosper Centers provide free tax preparation, support to enter and finance higher education, and enrollment in affordable health insurance programs, creating a one-stop-shop for services that create pathways toward greater financial health.

During this reporting period, Foundation Communities achieved several key successes. FC saw an increase in financial coaching, serving 162 individuals, as well as a larger increase in the number of residents enrolled in rent reporting. 102 residents were added during the first half of 2025. One factor that contributed to this growth was the organization's refocused outreach process.



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. GSNETX plans to engage 5,000 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.

One of the major accomplishments for GSNETX was their partnership with a local credit union, which provided financial experts to lead virtual financial literacy training. This collaboration enhanced the quality and relevance of the content delivered to participants. GSNETX remains committed to expanding opportunities that address the evolving needs of its community.



## **Grace After Fire**



Grace After Fire (GAF) recognizes that there is a growing need for assistance overcoming barriers frequently encountered by women veterans. GAF's mission is to provide the means for women veterans to gain knowledge, insight and self-renewal. GAF's goal is to invest in the future of women veterans by giving them a direct path from active duty to transition the whole family into their next chapter in their new community. The organization seeks to provide collaboration with financial educators from FDIC certified professionals to provide financial education through FDIC Money Smart Program.

In this cycle, GAF officially launched the STARS (Services & Transition Assistance for Resilient Sister) Program, which focuses on financial workshops, free events, retreats, education, and peer support. GAF was able to reach 147 participants, and expanded its financial education outreach through a partnership with Michael E. DeBakey's Whole Health Department.



## **Houston Area Women's Center**



The Houston Area Women's Center (HAWC) serves thousands of women, children and families each year escaping domestic violence, sexual assault or sex trafficking. For survivors of domestic violence, financial abuse is the largest barrier to achieving self-sufficiency. The goal of HAWC's Economic Empowerment Program is to advance the financial capability of 225 survivor participants. A key program objective is to support survivors with information and tools to empower them to establish self-determined lives and financial independence, free from violence.

HAWC strengthened its partnership with the St. Austin Center, one of HAWC's three Community Empowerment Hubs, expanding the reach of the Financial Education Support Group, which meets every Tuesday. 305 hours were spent with participants this cycle. In addition, HAWC's financial literacy efforts at The Women's Home Hub have been a great success. The organization impacted 147 individual Texans.

**Program Type:**  
**Financial Coaching**

**Grant Term:**  
**2 year**

**Amount Awarded:**  
**\$90,000**

**Funds Requested  
this period:**  
**\$15,309.47**

## **My Possibilities**



My Possibilities (MP) seeks to pioneer a financial education program for adults with intellectual or developmental disabilities (IDD) and their caregivers. Traditional financial education often falls short in addressing their unique learning needs. MP's program features tailored curriculum, one-on-one support, and caregiver involvement with a focus on essential financial life skills through adaptive learning methods. MP will collaborate with its Employment Innovations School that helps adults with IDD complete vocational training and gain integrated employment at a competitive wage.

During the reporting period, the financial education program at My Possibilities expanded significantly in both scope and impact. With support from the TFEE grant, MP delivered 542 instructional hours across 11 distinct 12-week courses, reaching 141 unique adults with intellectual and developmental disabilities (IDD) and 18 caregivers. This programming is closely aligned with the mission to empower individuals with IDD to live more independently and prepare for a rewarding career.

**Program Type:**  
**Adult Education &  
Capability**

**Grant Term:**  
**2 year**

**Amount Awarded:**  
**\$90,000**

**Funds Requested  
this period:**  
**\$24,227.49**

## **Panhandle Community Services**



The mission of Panhandle Community Services (PCS) is to work as a community leader and partner in the Texas Panhandle to change the lives of low-income people by bridging the gap from poverty to self-sufficiency. PCS's Financial Empowerment program seeks to provide robust, comprehensive financial education to their predominantly low-income client base across a diverse array of programs, specifically clients within the EITC/VITA tax preparation programs, and in Family Development programs.

Panhandle Community Services successfully planned sessions in each quadrant of the Panhandle over the six-month period. PCS also offered daytime and evening sessions with great interest shown. The organization has plans to work with elected officials and highlight financial literacy in the region.

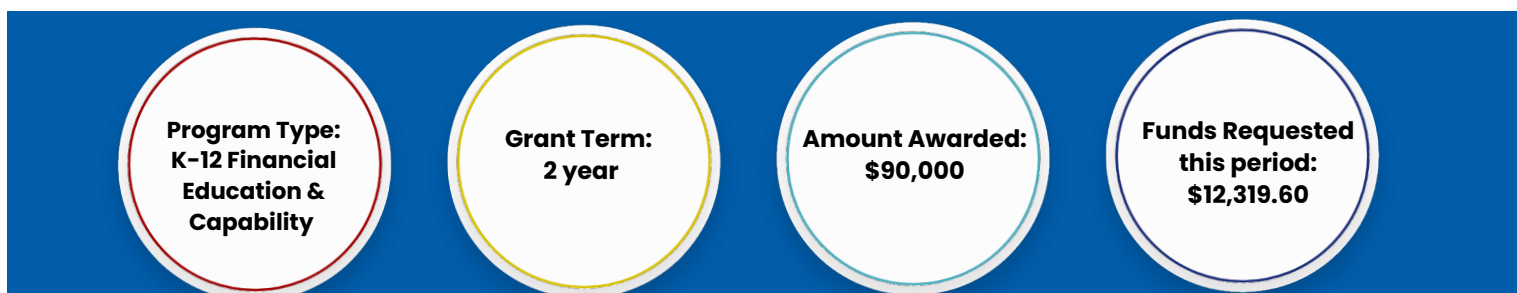


## **Pockets Change**



Pockets Change's mission is to build intergenerational financial resilience with students, families, and educators. Pockets Change believes financial education is about much more than numbers, it's a means for self-care and social justice. In partnership with Here for Good Texas and Morphing Minds, Pockets Change seeks to increase financial education in Texas. Over the grant period, Pockets Change plans to empower a minimum of 400 students through in-person and virtual workshops. Its award-winning Hip Hop & Finance online curriculum and virtual professional development will be accessible to all Texas educators. This program will give Texas students access to personal finance education, impetus to discuss their relationship with money, and incentive to share their feelings with other youth as they prepare songs for the annual Hip Hop FinFest.

Throughout this grant period, program activities focused on expanding outreach and awareness of Hip Hop FinFest online lessons. Pockets Change had incredibly strong participation at community events with 700 students and families taking part in 29 hours of programming from January through June. 9 schools are confirmed to participate in the Hip Hop FinFest in the fall.



RAISE Texas (RAISE) is a coalition of 1,500 organizations and individuals united around the common goal of advancing policies and programs that foster financial security and economic mobility for low- and moderate-income Texans. With support from TFEU in 2022, RAISE Texas developed a curriculum to help coaches provide individualized support for clients, building financial subject matter expertise. This grant will use that curriculum to train 150 financial coaches and develop, update, and distribute two tools to help consumers navigate short-term loans and credit building.

RAISE delivered the *Practicing Financial Wellness Through a Cultural Lens* training series during this reporting period, offering six high-value sessions to 122 financial coaches, including 21 returning participants from the 2024 series. Topics included debt management, saving and investing strategies, credit-building tools, navigating auto financing, and applying behavioral science to financial decision-making.



**Region One Education Service Center**



Region One Education Service Center(ROESC)delivers training and consulting assistance to thousands of educators and provides a wide range of services to local school systems to enhance the education they are providing students at the local level. Through the Region One Money Empowerment program, 1,500+ at-risk college adults and parents will receive financial training. The overall program goal is to assist participants in either reducing credit card/loan debt or improving their credit score within a four-month time frame.

As of the third reporting cycle, ROESC served 891 total participants, placing the program 109 participants away from reaching their goal to reach 1,000 participants by December 2025. To meet the growing demand, the team increased engagement time with participants and provided additional digital resources. These included curated links to online banking portals and financial literacy tools to support continued learning and self-sufficiency.







## **Mortgage Grant Fund Activities Report — November 30, 2025**

### **Activities Relating to the Mortgage Grant Fund (MGF)**

In November, the Grant Coordinator conducted risk monitoring meetings with each of the grantees, as outlined in the Mortgage Grant Administration Manual.

#### **Risk Monitoring Key Themes**

- Staffing pipelines remain a concern, with succession planning, bilingual counselor recruitment, and credentialing efforts underway.
- Technology access continues to be uneven, particularly in rural areas, though some organizations are addressing this issue with mobile hotspot partnerships.
- Cybersecurity risks were reported, including a phishing attempt, prompting adoption of stronger protections and staff training.
- During the October federal government shutdown, some grantees experienced temporary disruptions such as postponed announcements of federal grants, reduced access to federal installations, and interruptions in food assistance that constrained participants' capacity to spend or save for housing.

The 2025 – 2026 MGF grant cycle will conclude its second semi-annual reporting and reimbursement period on December 31, 2025. The deadline for grant recipients to submit activity reports and reimbursement requests is January 31, 2026.