

**MINUTES OF THE
FINANCE COMMISSION MEETING
Friday, April 21, 2023**

The Finance Commission of Texas convened at 9:07 a.m., on Friday, April 21, 2023, with the following members present:

Finance Commission Members in Attendance:

Phillip Holt, Chairman
George "Cliff" McCauley, Vice Chairman
Bob Borochoff
Hector Cerna
G. Martin "Marty" Green

Will Lucas
Sharon McCormick
Roselyn "Rosie" Morris
Debbie Scanlon
Laura Warren

Finance Commission Members Absent:

Vince Puente

Chairman Phillip Holt made a motion to excuse Vince Puente from the Finance Commission meeting held on April 21, 2023. There were no objections and the motion passed unanimously. *(0:48 on audio file)*

Commissioner Charles G. Cooper announced there was a quorum with ten (10) members present. *(1:20 on audio file)*.

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the February 17, 2023, Finance Committee Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	n/a
2. General Public Comment	No Action Required.	1:27 Start of Discussion
3. Consent Agenda – Items A1	Laura Warren made a motion to Approve Consent Agenda items A1. Rosie Morris seconded, and the motion passed.	2:00 Start of Discussion 2:18 Vote
4. Finance Commission Operations	No Action Required.	2:38 Start of Discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Second Quarter Investment Officer Reports 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2023 Second Quarter Investment Officer Reports passed.	6:42 Start of Discussion 6:53 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Second Quarter Financial Statements 1. Texas Department of Banking 2. Office of Consumer Credit Commissioner 3. Department of Savings and Mortgage Lending	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2023 Second Quarter Financial Statements passed.	7:04 Start of Discussion 7:12 Vote
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's Corporate Activities Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Corporate Activities Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.	7:23 Start of Discussion 7:34 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.	n/a
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of a New Grant Advisory Committee Member Raechel Peters	Coming upon the Recommendation from the Audit Committee, no second is required and the motion to Approve the Appointment of a New Grant Advisory Committee Member Raechel Peters passed.	7:50 Start of Discussion 7:59 Vote
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Mortgage Grant Fund	No Action Required.	n/a
6. Discussion of and Possible Vote to Take Action on the Finance Commission Agencies' Mid-Term Accomplishment Reports	Laura Warren made a motion to Approve the Finance Commission Agencies' Mid-Term Accomplishment Reports. Sharon McCormick seconded, and the motion passed.	8:24 Start of Discussion 9:46 Vote
7. Discussion of the Condition of the Texas Banking System Report (Note: Report provided separately)	No Action Required.	10:08 Start of Discussion
8. Discussion of and Possible Vote to Take Action Regarding Personnel Matters Pursuant to §551.074, Texas Government Code: Deliberations with Respect to the Duties and Compensation of a Person Holding the Position of Executive Director of the Finance Commission, Deliberations with Respect to the Duties and Compensation of Persons Holding the Position of Agency Commissioner Positions, and Other Staff	No Discussion.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
9. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	Deferred to Executive Session. No Vote Required.	n/a
10. Discussion of and Consultation with Attorney and Possible Vote to Take Action Pursuant to §551.071, Texas Government Code, for the Purpose of Seeking the Advice or Attorney-client Privileged Communications from our Attorneys, Including Matters Related to the Potential Financial Exposure of the Finance Commission Agencies and Their Officers and the Finance Commission and its Officers and Including Matters of Pending and Contemplated Litigation	No Discussion.	n/a
11. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 551.089, Texas Government Code	No Discussion.	n/a
12. Discussion of Matters Made Confidential by Law Pursuant to § 551.081, Texas Government Code, Including Information Relating to the Financial Condition or Business Affairs of a Financial Institution	Deferred to Executive Session. No Vote Required.	n/a
B. Texas Department of Banking		
1. Industry Status and Departmental Operations: a) Current Issues Affecting Department's Regulated Entities; b) Bank and Trust Division Activities; c) Corporate Division Activities; d) Non-Depository Supervision Division Activities; e) Administrative, Staffing and Fiscal Division Activities; f) Strategic Support Division Activities including Consumer Complaint Data; g) Legal Division Activities including Enforcement Activity and Gift Reporting; and h) Legislative Activities	No Action Required.	11:29 Start of Discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
C. Office of Consumer Credit Commissioner		
1. Industry Status and Departmental Operations: a) Consumer Protection and Assistance Division Activities; b) Licensing Division Activities; c) Administration Division Activities; d) Financial Division Activities; e) Legal Division Activities; and f) Legislative Activities	No Action Required.	36:24 Start of Discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Ernest Polk v. Texas Office of Consumer Credit Commissioner; Cause No. 01-22-00712-CV</i> , in the First Court of Appeals, Houston, Texas	No Discussion.	n/a
D. Department of Savings and Mortgage Lending		
1. Industry Status and Departmental Operations: a) Thrift Regulation Division Activities; b) Mortgage Regulation Division Activities; c) Operations Division Activities; d) Legal Division Activities, including Consumer Complaints and Gift Reporting; and e) Legislative Activities	No Action Required.	59:51 Start of Discussion
2. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 52, Concerning Charter Applications, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 52, Concerning Charter Applications, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:12:02 Start of Discussion 1:15:24 Vote
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 53, Concerning Additional Offices, Resulting from Rule Review	Sharon McCormick made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 53, Concerning Additional Offices, Resulting from Rule Review. Will Lucas seconded, and the motion passed.	1:15:49 Start of Discussion 1:16:30 Vote
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 57, Concerning Change of Office Location or Name, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 57, Concerning Change of Office Location or Name, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:16:56 Start of Discussion 1:17:22 Vote
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of New Rules in 7 TAC, Part 4, Chapter 60, Concerning Savings Associations, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of New Rules in 7 TAC, Part 4, Chapter 60, Concerning Savings Associations, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:17:46 Start of Discussion 1:23:00 Vote

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6. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 61, Concerning Hearings, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 61, Concerning Hearings, Resulting from Rule Review. Cliff McCauley seconded, and the motion passed.	1:23:26 Start of Discussion 1:23:54 Vote
7. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 63, Concerning Fees and Charges, Resulting from Rule Review	Rosie Morris made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Chapter 63, Concerning Fees and Charges, Resulting from Rule Review. Debbie Scanlon seconded, and the motion passed.	1:24:19 Start of Discussion 1:24:43 Vote
8. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 64, Concerning Books, Records, Accounting Practices, Financial Statements, Reserves, Net Worth, Examinations, Complaints, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 64, Concerning Books, Records, Accounting Practices, Financial Statements, Reserves, Net Worth, Examinations, Complaints, Resulting from Rule Review. Laura Warren seconded, and the motion passed.	1:25:09 Start of Discussion 1:25:35 Vote
9. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 65, Concerning Loans and Investments, Resulting from Rule Review	Laura Warren made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 65, Concerning Loans and Investments, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:26:04 Start of Discussion 1:26:29 Vote
10. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 67, Concerning Savings and Deposit Accounts, Resulting from Rule Review	Rosie Morris made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 67, Concerning Savings and Deposit Accounts, Resulting from Rule Review. Debbie Scanlon seconded, and the motion passed.	1:26:55 Start of Discussion 1:27:27 Vote
11. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals to 7 TAC, Part 4, Chapter 69, Concerning Reorganization, Merger, Consolidation, Acquisition and Conversion, Resulting from Rule Review	Marty Green made a motion to Approve the Proposal and Publication for Comment of Repeals to 7 TAC, Part 4, Chapter 69, Concerning Reorganization, Merger, Consolidation, Acquisition and Conversion, Resulting from Rule Review. Debbie Scanlon seconded, and the motion passed.	1:27:48 Start of Discussion 1:28:12 Vote

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12. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 71, Concerning Change of Control, Resulting from Rule Review	Debbie Scanlon made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 71, Concerning Change of Control, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:28:45 Start of Discussion 1:29:10 Vote
13. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 73, Concerning Subsidiary Corporations, Resulting from Rule Review	Will Lucas made a motion to Approve the Proposal and Publication for Comment of Repeals in 7 TAC, Part 4, Chapter 73, Concerning Subsidiary Corporations, Resulting from Rule Review. Marty Green seconded, and the motion passed.	1:29:32 Start of Discussion 1:30:02 Vote
14. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Discussion.	n/a

Chairman Phillip Holt called for an Executive Session at 10:38 a.m. (1:31:36 on the audio file). The open meeting resumed at 12:10 p.m. (1:32:52 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
Executive Session		
9. Discussion of and Possible Vote to Take Action Regarding Facility Planning and Real Property Matters Pursuant to §551.072, Texas Government Code: Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property	No Vote Required	n/a
12. Discussion of Matters Made Confidential by Law Pursuant to § 551.0811, Texas Government Code, Including Information Relating to the Financial Condition or Business Affairs of a Financial Institution	No Vote Required.	n/a

There being no further business, Chairman Phillip Holt adjourned the meeting of the Finance Commission at 12:10 p.m. (1:33:12 on the audio file).

/s/Phillip Holt

Phillip Holt, Chairman
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Ruth Wright

Ruth Wright, Executive Assistant
Finance Commission of Texas