

MINUTES OF THE FINANCE COMMISSION MEETING Friday, August 15, 2025

The Finance Commission of Texas convened at 10:04 a.m., on August 15, 2025, with the following members present:

Finance Commission Members in Attendance:

Laura Warren, Vice Chairman	Martin “Marty” Green	David Osborn
Bob Borochoff	Troy Lambden	Miguel Romano, Jr.
Kathleen Fields	Sharon McCormick	

Finance Commission Members Absent:

Phillip Holt, Chairman	Hector Cerna	Roselyn “Rosie” Morris
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Commissioner Charles G. Cooper announced there was a quorum with eight (8) members present. *(1:27 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Finance Commission Matters		
1. Review and Approval of the Minutes of the June 20, 2025 Finance Committee Meeting	On Consent Agenda – Item A1 This item Approved on the Consent Agenda.	n/a
2. General Public Comment	Mr. Andre Cardenas from Panacea Lending, LLC, testified on Recommended Rule Amendments in TAC 7, Chapter 89, regarding Property Tax Lenders. No Action Required.	1:39 Start of Discussion
3. Consent Agenda – Items A1 and D3	Kathleen Fields made a motion to Approve Consent Agenda items A1, and D3 Marty Green seconded, and the motion passed.	9:27 Start of Discussion 10:01 Vote
4. Finance Commission Operations	No Action Required.	10:19 Start of Discussion
5. Audit Committee Report		
A. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies’ 2025 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies’ 2025 Third Quarter Investment Officer Report passed.	12:31 Start of Discussion 12:43 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for: - Office of Consumer Credit Commissioner - Department of Savings and Mortgage Lending - Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and Texas Department of Banking passed.	12:57 Start of Discussion 13:09 Vote
C. Discussion of and Possible Vote to Recommend that the Finance Take Action on the Agencies' 2025 Third Quarter Financial Statements - Office of Consumer Credit Commissioner - Department of Savings and Mortgage Lending - Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Agencies' 2025 Third Quarter Financial Statements passed.	13:23 Start of Discussion 13:31 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2026 Operating Budgets - Office of Consumer Credit Commissioner - Department of Savings and Mortgage Lending - Texas Department of Banking	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Office of Consumer Credit Commissioner's Fiscal Year 2026 Operating Budgets. Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Fiscal Year 2026 Operating Budget passed. Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Texas Department of Banking's Fiscal Year 2026 Operating Budget passed.	13:44 Start of Discussion 14:28 Vote 14:46 Vote 15:08 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates for Fiscal Year 2026	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates passed.	15:30 Start of Discussion 15:40 Vote
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2025 Annual Internal 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 Office of Consumer Credit Commissioner's 2025 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates passed.	15:56 Start of Discussion 16:07 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2025 Annual Internal 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 Department of Savings and Mortgage Lending's 2025 Annual Internal Report as Prepared and Presented by Garza/Gonzalez and Associates passed.	16:20 Start of Discussion 16:33 Vote
H. 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
I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 52.3 (c)	Coming upon Recommendation from the Audit Committee, no second is required and the motion to Approve the Department of Savings and Mortgage Lending's Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 52.3 (c) passed.	16:53 Start of Discussion 17:06 Vote
6. Discussion of and Possible Vote to Take Action on the Agency Priorities for Fiscal Year 2026 for the Commissioners of the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking	David Osborn made a motion to Approve the Agency Priorities for Fiscal Year 2026 for the Commissioners of the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking. Sharon McCormick seconded, and the motion passed.	17:32 Start of Discussion 20:30 Vote
7. 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
8. 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.	n/a

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9. 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
10. 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
11. 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	No Discussion.	n/a
B. 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.	21:05 Start of Discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation	No Action Required.	n/a
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner	Marty Green made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 1, Chapter 2, Concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner. Sharon McCormick seconded, and the motion passed.	37:22 Start of Discussion 40:04 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
4. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 5, Chapter 83, Subchapter B, Concerning Rules for Credit Access Businesses	No Discussion.	n/a
5. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 5, Chapter 85, Subchapter A, Concerning Rules of Operation for Pawnshops	Kathleen Fields made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 5, Chapter 85 Subchapter A, Concerning Rules for Operation for Pawnshops. Troy Lambden seconded, and the motion passed.	40:36 Start of Discussion 41:55 Vote
C. 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) Strategic Projects, Initiatives, and Information Resources; e) Legal Division Activities, including Consumer Complaints and Gift Reporting; and f) Legislative Activities	No Action Required.	42:32 Start of Discussion
2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Hector Retta, Commissioner of the Department of Savings and Mortgage Lending v. Millard Smith d/b/a Processing Solutions, and Melkeisha Smith; Cause No. 25-DCV-330862, the 458th District Court, Fort Bend County, Texas</i>	No Action Required.	n/a
3. Discussion of and Possible Vote to Take Action on the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 55, Concerning Residential Mortgage Loan Originators	Marty Green made a motion to Approve the Proposal and Publication for Comment of Amendments in 7 TAC, Part 4, Chapter 55, Concerning Residential Mortgage Loan Originators. Sharon McCormick seconded, and the motion passed.	1:02:56 Start of Discussion 1:05:26 Vote
D. 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.	1:06:48 Start of Discussion

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2. Discussion of and Possible Vote to Take Action on Anticipated and Pending Litigation <i>Anthony Hrnir v. Internal Revenue Service, the Texas Department of Banking, et al.; Cause No. 4:24-cv-00692-SDJ-AGD, United States District Court, Eastern District of Texas</i>	No Action Required.	n/a
3. Discussion of and Possible Vote to Take Action on the Adoption of New 7 TAC, Part 2, Chapter 33, § 33.55, Concerning Clarification of Texas Finance Code § 152.004(9)	On Consent Agenda – Item D3 This item Approved on the Consent Agenda.	n/a

Vice Chair Laura Warren called for an Executive Session at 11:31 a.m. (1:27:48 *on the audio file*). The open meeting resumed at 12:17 p.m. (1:28:56 *on the audio file*)

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
Executive Session		
8. 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	Sharon McCormick made a motion to authorize the three agencies to move forward with the design and construction of a new facility at Camp Hubbard property located at 3500 Jackson Avenue, Austin, Texas, in collaboration with the Texas Facilities Commission. Bob Borochoff seconded, and the motion passed.	1:31:28 Vote
8. 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	David Osborn made a motion to authorize the three agencies to increase their long-term planning reserves by an additional amount up to \$35,000,000 in preparation to pay their allocated cost of the \$35,000,000 to be determined by each agency's respective allocated space in the new facility. Kathleen Fields seconded, and the motion passed.	1:32:47 Vote

There being no further business, Vice Chair Laura Warren adjourned the meeting of the Finance Commission at 12:21 p.m. (1:33:30 *on the audio file*).

/s/Laura Warren

Laura Warren, Vice Chair
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