

# STRATEGIC PLAN FISCAL YEARS 2017 TO 2021

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**AGENCY STRATEGIC PLAN  
FISCAL YEARS 2017 TO 2021  
BY THE  
OFFICE OF CONSUMER CREDIT COMMISSIONER**

| FINANCE COMMISSION OF TEXAS            |                              |            |
|--|------------------------------|------------|
| COMMISSION MEMBER                      | DATES OF TERM                | HOMETOWN   |
| Stacy G. London, Chair                 | June 28, 2008 to Feb 1, 2020 | Houston    |
| Robert (Bob) Borochoff                 | Feb 22, 2016 to Feb 1, 2022  | Houston    |
| Hector J. Cerna                        | Dec 16, 2015 to Feb 1, 2020  | Eagle Pass |
| Margaret (Molly) Curl                  | Feb 23, 2016 to Feb 1, 2020  | Richardson |
| Phillip A. Holt                        | Feb 23, 2016 to Feb 1, 2022  | Bonham     |
| Victor E. Leal                         | Feb 2, 2012 to Feb 1, 2018   | Amarillo   |
| William M. (Will) Lucas                | Sept 27, 2011 to Feb 1, 2018 | Center     |
| Lori B. McCool                         | Apr 27, 2009 to Feb 1, 2020  | Boerne     |
| Matthew (Matt) Moore                   | Feb 23, 2016 to Feb 1, 2022  | Amarillo   |
| Paul Plunket                           | June 26, 2008 to Feb 1, 2020 | Dallas     |
| Hilliard (Jay) Shands, III, Vice Chair | Aug 23, 2010 to Feb 1, 2018  | Lufkin     |

APPROVED JUNE 10, 2016

SIGNED: 

\_\_\_\_\_  
Leslie L. Pettijohn, OCCC Commissioner

APPROVED: 

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Stacy G. London, Finance Commission Chair

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## OFFICE OF CONSUMER CREDIT COMMISSIONER (OCCC) MISSION

The mission of the Office of Consumer Credit Commissioner (OCCC) is to regulate nonbank financial services and to educate consumers and industry providers, fostering a fair, lawful, and healthy financial services market that grows economic prosperity for all Texans.

## AGENCY GOALS & ACTION PLANS

The OCCC promotes the highest principles of professional conduct and ethics; diversity; stewardship and conservation of funds; and limited, balanced, and effective regulation.

The OCCC regulates nondepository financial service providers through licensing or registration. The agency's programs and services are based on a four-part philosophy:

- **Regulate** fairly, efficiently, and effectively, balancing the needs of both consumers and creditors by enforcing Texas credit laws and licensing qualified financial service providers;
- **Educate** consumers about rights, responsibilities, and remedies; and financial services providers about rights and responsibilities;
- **Communicate** collaboratively with and encourage communication among the financial services industry, consumer public, and the OCCC; and
- **Protect** and safeguard consumers against abusive, unfair, and deceptive lending practices.

## GOAL: CONSUMER PROTECTION

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

## ACTIONS REQUIRED TO ACHIEVE GOAL

- Investigate, process, and respond to consumer complaints related to OCCC's licensed or registered entities, in a professional, appropriate, and timely manner.
- Educate the financial services industry through advisory bulletins, articles, presentations, and web content.
- Develop and refine regulatory policy and administrative rules using a transparent and participatory process.
- Examine and supervise regulated entities to ensure compliance with appropriate statutes and regulations.
- Evaluate examination priorities through risk profiling methodologies to ensure optimal resource allocation.
- Issue examination reports that direct regulated entities to correct violations and provide restitution, in order to bring transactions into compliance.
- Collaborate with other state and federal regulators to share information and coordinate examinations.
- Initiate administrative enforcement actions against licensees who commit serious violations, in order to ensure compliance.
- Maintain high quality examiner personnel resources through extensive training, retention strategies, and a career ladder program.

## GOALS AND ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

- 1. To support the statewide objective of being accountable to tax and fee payers of Texas, the OCCC will:**
  - Foster a fair, lawful, and competitive financial services market through consumer protection strategies that provide public confidence in the market.
  - Provide consumers with user-friendly, accessible options for filing complaints against regulated entities.
  - Ensure licensees and registrants have access to compliance guidance on OCCC website.
  - Ensure adherence with self-leveling, self-funding and Self-Directed, Semi-Independent (SDSI) statutory requirements.
  
- 2. To support the statewide objective of being efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision the agency considers redundant or not cost-effective, the OCCC will:**
  - Streamline operations and improve processes when needed.
  - Implement technology improvements to provide enhanced efficiency for staff operation and greater self-service and transparency for public users.
  - Share information and collaborate with other regulators to minimize regulatory burden.
  
- 3. To support the statewide objective of being effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve, the OCCC will:**
  - Use a risk-profiling methodology for examination selection to focus limited resources in areas that indicate the greatest potential for noncompliance.
  
- 4. To support the statewide objective of providing excellent customer service, the OCCC will:**
  - Handle consumer complaints in a professional and timely manner.
  - Continue to offer various avenues in which a consumer may contact the OCCC.
  - Provide extensive selection of consumer related information on the OCCC's website.
  - Provide training opportunities to staff on customer service.
  - Improve communications outreach to stakeholders.
  - Seek feedback from stakeholders through a customer service survey.
  
- 5. To support the statewide objective of being transparent such that agency actions can be understood by any Texan, the OCCC will:**
  - Seek input to improve the agency's services.
  - Ensure that the agency's website contains information related to licensee or registrant's specific industry (e.g., proposed rule changes).
  - Hold stakeholder meetings to discuss rules and legislative changes.

## OTHER CONSIDERATIONS

### CONSUMER PROTECTION THROUGH COMPLAINT RESOLUTION

The OCCC provides direct assistance to any Texas consumer who requests help, intervention, or information. Consumers may contact the OCCC through multiple channels. Most consumer contact occurs through the

consumer helpline. In addition to the helpline, consumers can submit their complaint by email. Because consumers increasingly use mobile technology to obtain financial services, the agency recognizes that it should also provide its consumer assistance services online. Beginning in fall 2016, consumers will have direct access to submit a complaint through a portal on the OCCC website. In addition to the website portal, the OCCC is developing a workflow-processing application for handling complaints. The portal will allow the public to submit complaints online, as well as input by internal users if received by mail or phone and a workflow to process the complaint/investigation through its lifecycle to resolution and record retention.

Consumers receive assistance on a variety of topics from education about specific characteristics and regulatory control of financial services and consumer credit transactions to assistance in resolving complaints or concerns related to those transactions. In 2015, the consumer assistance section received nearly 30,000 calls, email inquiries, and complaints, which resulted in 2,131 total complaints that were processed. In most complaints, consumer assistance representatives and investigators are able to reach an agreed-upon outcome for both the consumer and the financial service provider. In some occurrences, staff has even been successful in achieving similar results with entities not regulated by the agency.

Additionally, the OCCC will continue to provide financial literacy and education on its website in an area dedicated to consumers.

**CONSUMER COMPLAINTS CLOSED BY TYPE:**

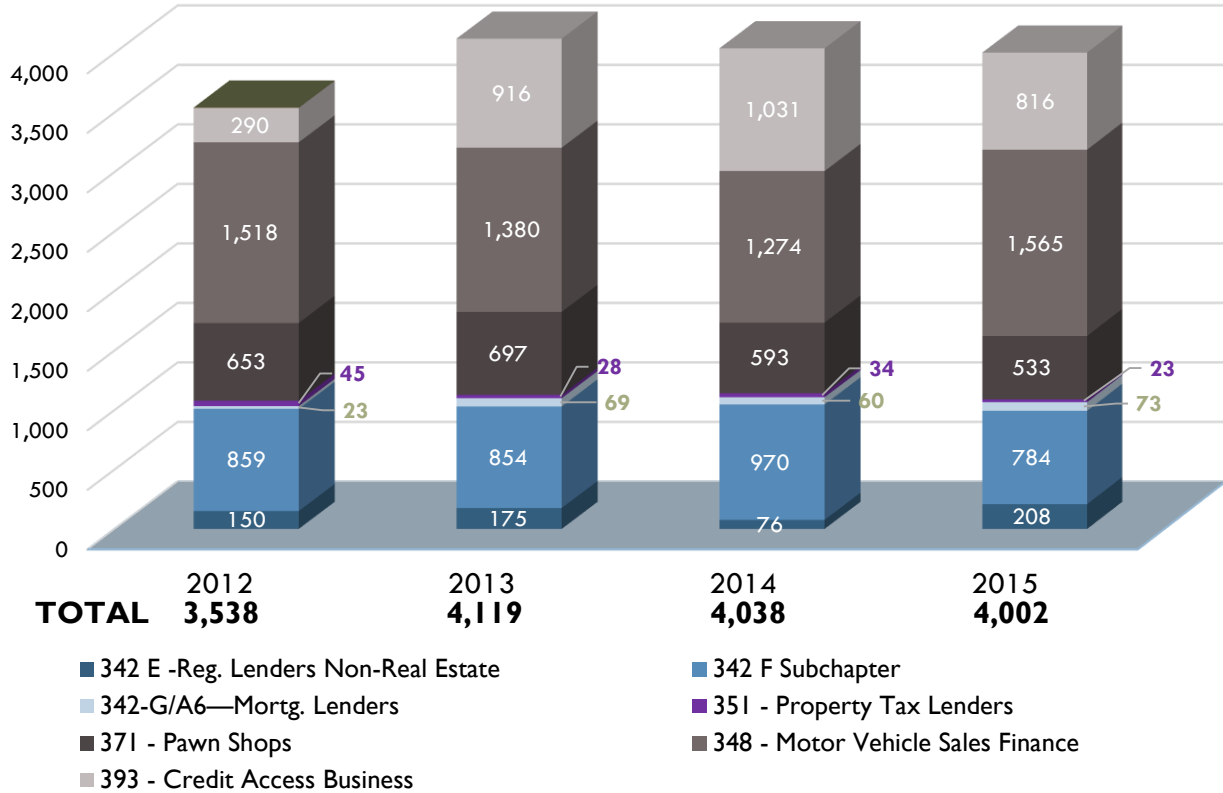
| Chapter                                | FY 2015<br>NUMBER<br>PROCESSED | % OF<br>TOTAL | FY 2014<br>NUMBER<br>PROCESSED | % OF<br>TOTAL |
|--|--------------------------------|---------------|--------------------------------|---------------|
| 348—Motor Vehicle Sales Finance        | 982                            | 46.1%         | 810                            | 42.3%         |
| 393—CAB Payday                         | 240                            | 11.3%         | 283                            | 14.8%         |
| 393—CAB Auto Title                     | 194                            | 9.1%          | 171                            | 8.9%          |
| 342—Reg. Lenders Non-Real Estate       | 198                            | 9.3%          | 224                            | 11.7%         |
| 371—Pawn                               | 172                            | 8.1%          | 181                            | 9.5%          |
| 345—Revolving Loans                    | 73                             | 3.4%          | 49                             | 2.6%          |
| 1956—Crafted Precious Metal Dealers    | 17                             | 0.8%          | 14                             | 0.7%          |
| 342-G/A6—Mortgage Lenders; Real Estate | 29                             | 1.36%         | 27                             | 1.4%          |
| 347—Manufactured Housing               | 10                             | 0.5%          | 12                             | 0.6%          |
| 351—Property Tax Lenders               | 42                             | 1.9%          | 27                             | 1.4%          |
| 394—Debt Management /Debt Settlement   | 12                             | 0.6%          | 11                             | 0.6%          |
| 339—Surcharge (Credit Card Use)        | 153                            | 7.2%          | 98                             | 5.1%          |
| All Others*                            | 9                              | 0.4%          | 8                              | 0.4%          |
| <b>TOTAL COMPLAINTS</b>                | <b>2,131</b>                   | <b>100.0%</b> | <b>1,915</b>                   | <b>100.0%</b> |

\* *Note: All Others refer to complaints which were processed but were later determined did not fall within the OCCC's regulated chapter categories, enforcement authority or jurisdiction. Examples of complaints are a pension advance company, out of state companies, student loan issues, invoicing dispute with a construction company, tollway authorities' issues, etc.*

## CONSUMER PROTECTION THROUGH EXAMINATION OF FINANCIAL SERVICE PROVIDERS

The OCCC is responsible for the examination and investigation of nonbank regulated financial service providers in order to ensure compliance with the law. The comprehensive examination program encompasses motor vehicle sales finance, regulated lending (including home equity and secondary mortgages), credit access businesses, pawnshops, and property tax lenders. Additionally, the OCCC administers the complaint-based investigation of registered creditors, crafted precious metal dealers, debt management and debt settlement providers, refund anticipation loan facilitators, and manufactured housing creditors. Corrective actions taken by licensees in response to OCCC examination instructions have resulted in more than \$75 million returned to Texans since fiscal year 2012.

### TOTAL EXAMS BY FISCAL YEAR



The bar graph above represents a four-fiscal-year comparison of examinations by industry. Motor vehicle sales finance licensees have the most exams performed due to their dominant size of the industries regulated. The OCCC anticipates this trend to continue and expects overall stable to moderate growth of examination and investigation responsibilities.

The OCCC has expanded its program for enterprise level and desktop examinations, allowing examiners to conduct certain exams from one primary location. As a result, the OCCC has made progress towards conserving

travel expenses and streamlining the examination process.

Further improvement to the examination process includes risk profile modeling to assess the level of compliance risk among the licensed industry group. Assessing compliance risk with a consistent and routine methodology will allow the allocation of examiner resources in the most effective manner.

Regulatory changes and activities at the state and federal level have a varying impact upon the agency's operations and regulated industries. The Consumer Financial Protection Bureau (CFPB) is engaged in rulemaking that may have broad and varying effects upon the Credit Access Businesses (CABs), motor vehicle sales finance (MVSF), regulated lenders, and property tax loan industries.

The OCCC participates with multistate workgroups to develop standardized consumer credit product examination tools and practices, as well as standardized consumer complaint protocols and data collection methodologies. Once developed, these tools may be made available to state regulatory entities for use in their examination and consumer assistance activities. In these workgroups, the Conference of State Bank Supervisors (CSBS) coordinates input and participation by nondepository state regulators. CSBS also communicates with the CFPB regarding the CFPB's policy and rulemaking. It is important that the workgroups represent all interested stakeholders. Not all state consumer credit regulators are structured similarly, and differences in jurisdictions and authority should be considered in the development of federal rules and standardized examination tools. Before using these tools, the OCCC will review the practices and methodologies for alignment with current and anticipated regulatory activities and authority.

As the CFPB adopts policy and rules, the OCCC will work with stakeholders to identify and communicate compliance issues within the affected industries. Due to the OCCC's status as the primary state regulator for licensed nondepository financial institutions, the OCCC's regulatory approach may differ from the CFPB's approach. While the CFPB's rules relate to subject matter addressed in federal statutes (e.g., consumer disclosures, equal credit opportunity), the OCCC's rules relate to subject matter addressed in the Texas Finance Code (e.g., usury limitations, prohibitions on fees). Upcoming CFPB rules on short-term, small-dollar loans may apply to certain Chapter 342 loans and Chapter 393 transactions. The OCCC will continue to collaborate with the multistate workgroups to convey the elements – and at times uniqueness – of consumer credit products offered within Texas, so that regulatory bodies can share a mutual understanding of these products.

Specific state-level considerations include growth within the MVSF industry. Motor vehicle sales continue to increase year over year. With this growth, the OCCC anticipates the number of examinations and re-examinations will increase proportionally. Additionally, the OCCC anticipates that outside proposals will be brought to the Legislature for mandatory dealer training and education for motor vehicle dealers. The OCCC anticipates continuing its partnership with the Texas Department of Motor Vehicle (TxDMV) in providing additional and possible enhanced financing training to this industry group.

The OCCC is currently working on an information technology project to modernize agency workflow and functions through the Annual Reports, Complaints, & Examination (ACE) Project. This project's proposed functionality will allow the Agency to more effectively perform its regulatory compliance responsibilities. Presently, regulatory and compliance processes are still paper-based and labor intensive. Investigations and compliant resolution may be performed on either licensed or registered businesses. ACE will integrate these processes into the OCCC web application ALECS.



## GOAL: EFFECTIVE LICENSING & REGISTRATION

To provide a quality, streamlined program of licensing and registration that ensures high standards for financial service providers and effectively serves the market demand for fair, competitive, and transparent consumer credit and financial services.

### ACTIONS REQUIRED TO ACHIEVE GOAL

- Thoroughly investigate and process applications for regulated entities to ensure it is in the best interest of the public that licensees and registrants are authorized to conduct business.
- Maintain a manageable volume of pending license applications to ensure timely processing and quality customer service.
- Review background checks as appropriate—and as statutory authority allows—to determine whether applicants demonstrate general character and fitness.
- Use and continue improving the online database so that it is a helpful tool for external users, as well as internal license specialists.
- Foster productive communication with licensees, stakeholders, and trade groups.
- Analyze all facets of application process to ensure efficiency and necessity of data, and to maintain integrity in the process.
- Use the website and technology as a communication tool to educate and inform applicants, licensees, and registrants.
- Develop the licensing department professionally so that the staff has the tools and resources to perform at the highest level, while ensuring that staffing resources are in line with task at hand.

### GOALS AND ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

- 1. To support the statewide objective of being accountable to tax and fee payers of Texas, the OCCC will:**
  - License and register entities and individuals with proper knowledge, experience, and background to provide lawful and fair financial services.
  - Prevent unqualified applicants from receiving licenses or registrations, to maintain integrity within financial services industry.
  - Provide clear, accurate information to the public in a timely manner.
  - Ensure adherence with self-leveling, self-funding and Self-Directed, Semi-Independent (SDSI) statutory requirements.
- 2. To support the statewide objective of being efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision the agency considers redundant or not cost-effective, the OCCC will:**
  - Constantly review and streamline internal procedures to eliminate unnecessary tasks.
  - Review staffing resources and levels to properly assess workload needs and maximize output.
- 3. To support the statewide objective of being effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve, the OCCC will:**
  - Maintain a prioritized focus on processing license applications and renewals.

- Monitor application processing times to ensure that processing remains within acceptable service levels.

**4. To support the statewide objective of providing excellent customer service, the OCCC will:**

- Answer inquiries and educate the public.
- Enhance use of the website and technology as a tool to put information in the hands of the public.
- Communicate the licensing department's ability to provide exceptional customer service through professional development.
- Process applications quickly and efficiently to provide customers licensing determinations as soon as possible.

**5. To support the statewide objective of being transparent such that agency actions can be understood by any Texan, the OCCC will:**

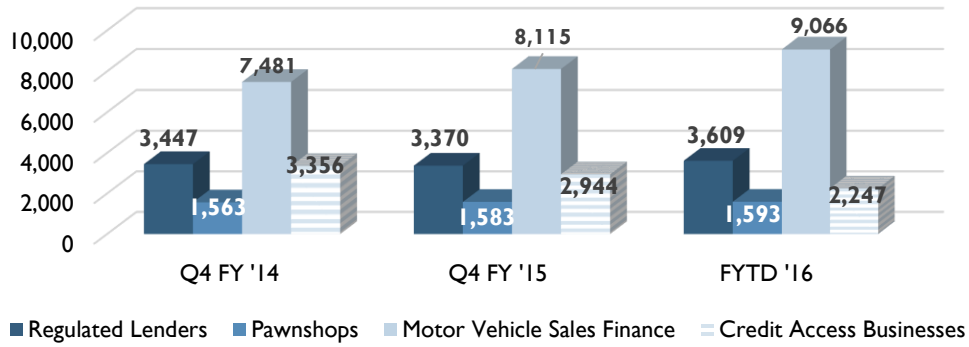
- Communicate clearly so that the application and renewal processes make sense and are crystal clear.
- Provide status of application at all stages and respond to inquiries so that every step is understood and explained fully.

## OTHER CONSIDERATIONS

As one of its core functions, the OCCC determines whether applicants meet appropriate qualifications to engage in regulated finances services. The OCCC handles all regulated loan, motor vehicle sales finance, pawnshop, and pawnshop employee license applications, as well as registration of debt management services providers and registered creditors. The licensing section continuously considers ways to streamline the licensing process. In February 2014, the Application Licensing Examination Compliance System (ALECS) changed the way industries applied for licenses and registrations. Applicants now enter information for a new license or a renewal through an online platform. Licensees initiate fingerprint-based criminal background checks through a third party, and the OCCC receives the results electronically. In addition, applicants and licensees have access to self-service transactions, such as address changes and license renewals. The OCCC's licensee and registration population continues to grow overall, although specific industries have experienced some decline due to changes related to new municipal ordinances limiting business practices or market pressures and adjustments.

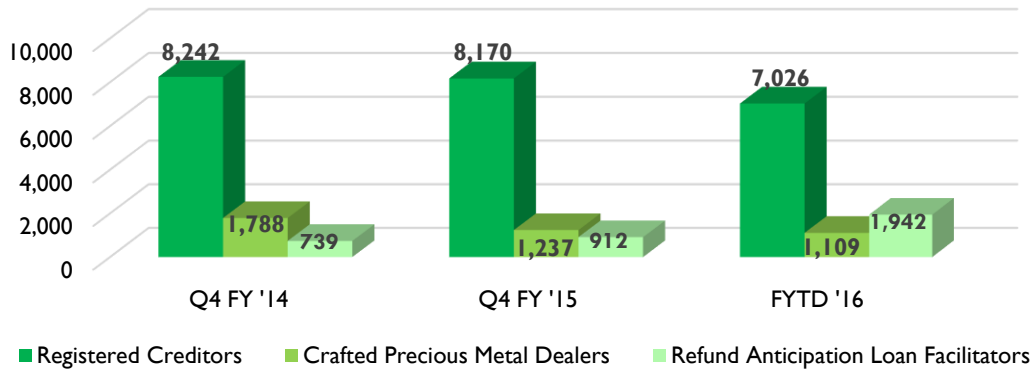
The following charts reflect the number of OCCC regulated entities at the end of each quarter in fiscal years 2014 and 2015, and the most recent quarterly data, as of April 30, 2016.

### LICENSEE COUNT (EXCLUDING PROPERTY TAX)



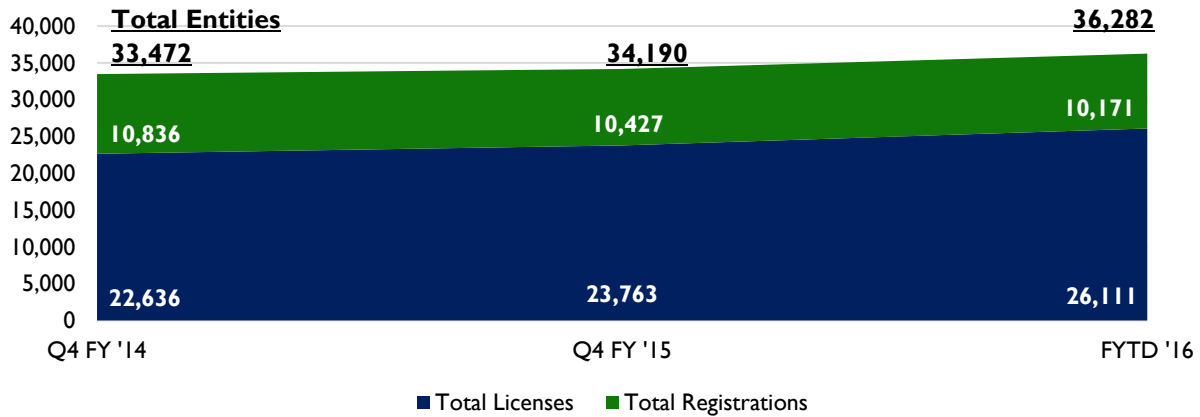
Note: Property tax lenders licensees' numbers are lesser than values shown. (Q4 FY '15 = 94; Q4 FY '16 = 91; YTD FY '16 = 88)

### REGISTRATION COUNT (EXCLUDING DEBT MANAGEMENT)



Note: Debt management registrations' numbers are lesser than values shown. (Q4 FY '15 = 67; Q4 FY '16 = 108; YTD FY '16 = 94)

### ALL REGULATED ENTITIES



## GOAL: FINANCIAL LITERACY

To educate consumers about their rights, remedies, and responsibilities and to encourage communication, transparency, and cooperation among the nonbank financial services industry, the consumer public, and the agency.

### ACTIONS REQUIRED TO ACHIEVE GOAL

- Empower consumers with information to make better financial decisions.
- Promote financial literacy directly and through collaborations with other organizations.
- Develop education material through identification of common consumer complaints.
- Administer the Texas Financial Education Endowment Fund (TFEE) on behalf of the Finance Commission and manage a grant program that effectively supports financial education.

### GOALS AND ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES

- 1. To support the statewide objective of being accountable to tax and fee payers of Texas, the OCCC will:**
  - Provide data demonstrating effectiveness of financial literacy programs.
  - Provide quarterly reporting of participants attending financial literacy courses.
  - Ensure adherence with self-leveling, self-funding and Self-Directed, Semi-Independent (SDSI) statutory requirements.
- 2. To support the statewide objective of being efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision the agency considers redundant or not cost-effective, the OCCC will:**
  - Streamline operations and develop train the trainer programs.
  - Implement improvements noted or suggested in any external audits.
- 3. To support the statewide objective of being effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve, the OCCC will:**
  - Continuously review internal processes and program applications for opportunities to further automate or enhance features using advancing technologies.
  - Provide professional development and training to staff on a continuous basis.
- 4. To support the statewide objective of providing excellent customer service, the OCCC will:**
  - Handle consumer complaints in a professional and timely manner.
  - Provide extensive selection of consumer related information on the agency's website.
  - Provide training opportunities to staff on customer service.
- 5. To support the statewide objective of being transparent such that agency actions can be understood by any Texan, the OCCC will:**
  - Provide quarterly reporting of financial literacy outreach to the Finance Commission.
  - Publish a training schedule on the agency website.

## **GOAL: EFFICIENT AND EFFECTIVE AGENCY OPERATION**

To deliver high quality, effective regulation of nonbank financial services by ensuring that the OCCC operates and performs at the highest standards of accountability, transparency, compliance, professional conduct and ethics, stewardship, and conservation of funds.

### **ACTIONS REQUIRED TO ACHIEVE GOAL**

- Adhere to principles of transparency, compliance, and accountability.
- Ensure integrity of financial reporting and systems of internal control.
- Monitor budgets and tightly control expenditures.
- Begin preparations for implementation of required migration for CCTS VoIP.
- Embrace innovation and implement advancing technology to improve efficiency.
- Monitor and assess information technology security risks and develop mitigation strategies.
- Focus efforts that support staff retention and succession planning.

### **GOALS AND ACTION ITEMS SUPPORT STATEWIDE OBJECTIVES**

- 1. To support the statewide objective of being accountable to tax and fee payers of Texas, the OCCC will:**
  - Provide regular reporting of OCCC financial information.
  - Communicate with stakeholders regarding regulatory policy, administrative rulemaking, and budget development.
  - Ensure adherence with self-leveling, self-funding and Self-Directed, Semi-Independent (SDSI) statutory requirements.
- 2. To support the statewide objective of being efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision the agency considers redundant or not cost-effective, the OCCC will:**
  - Streamline operations and improve processes when needed.
- 3. To support the statewide objective of being effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve, the OCCC will:**
  - Evaluate and implement technology solutions that drive gains in performance and efficiency.
  - Collaborate with other state and federal regulators to share information and improve overall industry compliance.
  - Invest in staff development to retain core staff and minimize costs of turnover and training.
- 4. To support the statewide objective of providing excellent customer service, the OCCC will:**
  - Empower stakeholders with information by providing updated web content in a timely manner.
  - Ensure ample opportunities exist for stakeholder input regarding every aspect of the agency operations.
- 5. To support the statewide objective of being transparent such that agency actions can be understood by any Texan, the OCCC will:**

- Publish or make accessible data sets of public information that may be of interest to the general public.
- Encourage public participation on the agency's budget through a public hearing prior to submission to the Finance Commission.
- Publish procurement contracts on the agency's website.
- Seek input to improve the agency's services.

## OTHER CONSIDERATIONS

The OCCC works to develop effective, collaborative relationships with its regulated industries, legislative offices, and consumer groups. The staff continually integrates the agency's mission and philosophy into the performance of duties, and strives to uphold the agency's reputation. The agency emphasizes customer service and relationship building across its regulatory, administrative, and stakeholder interactions. The OCCC recognizes its most valuable asset is experienced, knowledgeable, and qualified staff, who is committed to serving the citizens of Texas.

The agency has prioritized the need to attract, develop, and retain qualified employees to support its various regulatory activities, especially within the financial examiner series. To build and strengthen its workforce, and to ensure effective service to stakeholders and the public, the agency will implement several strategies that allow for professional and competency development, career progression, and the retention of experienced and tenured staff members.

As a self-leveling, self-funding agency, the OCCC's revenues are derived through the collection of license and registration application fees, renewal fees and assessments, charges for agency publications and administrative services, and examination charges collected from regulated entities. The Agency is responsible for all direct and indirect costs and does not receive any general revenue funds. All revenues for operations are placed in a separate account at the Texas Treasury Safekeeping Trust Company. Various provisions in the Finance Code authorize the Commissioner to impose and collect fees to recover the cost of examination, the equitable or proportionate cost of maintenance and operation of the Department, and the cost of enforcement. The Agency operates in a prudent and fiscally responsible manner while performing its statutory duties.

The Agency develops a budget annually that is evaluated and reviewed by the FC, the eleven member governing body which oversees three state agencies: the OCCC, the Department of Savings and Mortgage Lending (DSML), and the Department of Banking (DOB). The FC must approve the Agency's budget before any expenditure can be made. A budget hearing, which is open to the public, is held each year.

In addition, the OCCC has been a SDSI agency since 2009. This status has been instrumental over the past years in supporting the OCCC's efforts to fulfill its mission. Being a SDSI agency, the OCCC is able to respond effectively and timely to the changing dynamics in the economy and OCCC's regulated industries. This includes the ability to adjust budgets, to implement immediate changes in staffing strategies as well as adjust salaries to retain and attract qualified personnel and strive for more competitive salary levels with other state and federal agencies. Having SDSI status has allowed the OCCC to operate more efficiently and has provided the flexibility needed to expand or contract resources in response to economic and regulatory conditions.

OCCC business operations and industry participants depend on web-based services and information delivery. Over the past two years, the OCCC has focused on the development and implementation of an integrated web

application that provides the services desired by industry and staff alike. ALECS (Application, Licensing, Examination, Complaints System), a web-based application platform, was launched during the second quarter of fiscal year 2014. The system provides efficiencies for internal operational activities as well as the opportunity for industry members to manage license and registration files through self-service options and public access.

The OCCC is committed to providing relevant and timely information and resources to industry stakeholders and consumers alike. Since the last strategic planning process, OCCC staff has prioritized maintaining relevant resources and information online. OCCC will continue reviewing and refreshing content, layout, and ease of navigation of its website. The OCCC expects to provide more effective and efficient regulation through the continued use and integration of technology and IT solutions.

The OCCC staff will continue its collaborative efforts with other state regulators. Towards that end, OCCC staff serves in a variety of roles. The commissioner serves as a representative on the Nationwide Mortgage Licensing System (NMLS) Policy Committee. OCCC staff are long-time active participants in the National Association of Consumer Credit Administrators (NACCA), with the commissioner previously serving in all leadership positions. Staff also actively participate with the American Association of Residential Mortgage Regulators (AARMR) and provide presentations at industry conferences.

The OCCC and the other FC agencies, the DSML and the DOB, are currently located at 2601 N. Lamar Blvd. in a building owned by the three agencies. During the next five years, the OCCC anticipates relocating the Austin headquarters to facilities which will better meet its needs. Relocating the Austin office is challenging as it is difficult to find building space to meet the requirements of all the FC agencies. The staffing resources needed to plan, organize, and execute the move efficiently and effectively will be significant. Cash reserves have been set aside to cover future expenses related to a new building and relocation.

## REDUNDANCIES AND IMPEDIMENTS

| SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)  | DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN EFFICIENT OR INEFFECTIVE AGENCY OPERATIONS  | PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION   | DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE  |
|---|---|---|--|
| The OCCC is required to conduct a yearly study on consumer, agricultural, and small-business lending. Tex. Fin. Code § 11.305.  | In general, the OCCC does not regulate commercial lending, so the agency has limited access to data about agricultural and small-business lending.  | Amend § 11.305 to remove requirements relating to agricultural and small-business lending. See SB 1282 (2015).  | The statute will enable the OCCC to focus its research on consumer loans, based on the annual reports the agency receives from licensees.  |
| Crafted precious metal dealers must submit both a “list” and a “report” to local law enforcement for each transaction. Tex. Occ. Code §§ 1956.062, .063.  | The list and the report contain similar information and appear to be redundant. The statute does not specify whether the list may be included on the report.  | Amend § 1956.063 to specify that a dealer may submit a single document with the information required for both the list and the report. See SB 957 (2015).                           | The statute will more clearly describe reporting requirements for crafted precious metal dealers, in a manner that is easier for dealers to understand.  |
| The OCCC is required to keep pawnshop rules “in a permanent record book,” and to mail a copy of a new rule to each license holder. Tex. Fin. Code § 371.006. A rule may not take effect until 21 days after it has been mailed. | This provision is outdated and does not reflect the fact that adopted rules are now available on the Texas Secretary of State’s website. This provision is also redundant with the rule-submission requirements of the Texas Administrative Procedure Act.                    | Repeal § 371.006(b)-(d).  | The statute will allow the OCCC to submit pawnshop rules through an efficient online process, without also having to send paper mailings. For each adopted pawnshop rule action, the OCCC will save approximately \$ 40.28 in mailing costs. |
| The Texas Finance Code provides that a refund anticipation loan facilitator must register with the OCCC by December 31 of the year before it begins engaging in business. Tex. Fin. Code § 352.003(a).                          | A business might not know it will engage in business by December 31 of the preceding year, and it might not be able to provide necessary registration information at that time. The advance-registration requirement is not consistent with other OCCC registration statutes. | Amend § 352.003 to remove current December 31 deadline and to specify that: (1) a facilitator must register before engaging in business, (2) a registration expires on December 31. | The statute will enable facilitators to register and immediately begin doing business, promoting efficiency in business practices. The statute will still ensure that the OCCC has the information necessary to monitor the industry.        |
| The Texas Occupations Code provides that a crafted precious metal dealer must register with the OCCC by December 31 of the year before it begins engaging in business. Tex. Occ. Code § 1956.0612(b).                           | A business might not know it will engage in business by December 31 of the preceding year, and it might not be able to provide necessary registration information at that time. The advance-registration requirement is not consistent with other OCCC registration statutes. | Amend § 1956.0612 to remove current December 31 deadline and to specify that a registration expires on December 31.   | The statute will enable dealers to register and immediately begin doing business, promoting efficiency in business practices. The statute will still ensure that the OCCC has the information necessary to monitor the industry.             |



## **PART 2. SUPPLEMENTAL ELEMENTS**

### **SCHEDULE A: BUDGET STRUCTURE**

The OCCC (Agency) has been a Self-Directed, Semi-Independent agency since 2009 and does not have a bill pattern in the General Appropriations Act. The OCCC, which is self-funding and self-leveling, is responsible for all costs as no resources are appropriated from the General Revenue Fund. All revenues for operations are derived from assessments and fees paid by regulated entities. The revenues are placed in a separate account at the Texas Treasury Safekeeping Trust Company and not included in the General Revenue Fund.

The OCCC develops a budget annually that is evaluated and reviewed by the Finance Commission (FC). The budgeting process begins in the last quarter of the fiscal year with the proposed budget presented at a public hearing typically at the end of July. The final budget is presented to the FC at its regularly scheduled August meeting. The FC must approve the budget before any expenditure can be made.

### **GOAL A: CONSUMER PROTECTION**

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To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

#### **OBJECTIVE**

**A.1** Resolve 95% of written consumer complaints within 90 calendar days, except those requiring an on-site investigation.

#### **STRATEGY**

**A.1.1.** Resolve consumer complaints expeditiously, identify problem creditors and industry practices, and advise creditors and consumers of their rights, remedies and responsibilities.

#### **OUTCOME MEASURES**

- Percentage of written complaints resolved within 90 calendar days.
- Monies returned to consumers

#### **OUTPUT MEASURES**

- Number of complaints closed
- Number of field investigations closed

#### **EXPLANATORY MEASURES**

- Number of consumer helpline calls received

#### **OBJECTIVE**

**A.2** Strive to ensure a degree of compliance that results in 85% of examinations meeting acceptable levels of compliance.

## STRATEGY

**A.2.1.** Examine regulated entities to determine the level of compliance with applicable statutes and regulations and initiate administrative enforcement action against licensees who commit violations.

## OUTCOME MEASURES

- Percentage of examinations reporting acceptable level of compliance
- Monies or credits returned to consumers from licensees
- Percentage of licensees examined annually
- Percentage of re-examinations resulting in acceptable compliance rating

## OUTPUT MEASURES

- Number of compliance examinations performed
- Number of enforcement actions taken
- Number of administrative hearings conducted
- Number of advisory bulletins published
- Number of enforcement actions and corrective action summaries published

## **GOAL B: EFFECTIVE LICENSING & REGISTRATION**

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To provide a quality, streamlined program of licensing and registration that ensures high standards for licensed or registered financial service providers and effectively serving the market demand for fair but competitive and transparent consumer credit and financial services.

## OBJECTIVE

**B.1.** To process business and pawnshop employee license applications within an average time of 30 days of receipt of a completed application.

## STRATEGY

**B.1.1.** Investigate and process applications for regulated entities and pawnshop employee licenses.

## OUTCOME MEASURES

- Average processing time (days) for license applications
- Average processing time (days) for pawnshop employee applications
- Average processing time (days) for residential mortgage loan originator applications

## OUTPUT MEASURES

- Number of business applications processed
- Number of pawnshop employee license applications processed
- Number of registrations processed
- Number of residential mortgage loan originator applications processed

## EXPLANATORY MEASURES

- Number of regulated loan licenses
- Number of pawnshop licenses
- Number of pawnshop employee licenses
- Number of registrations processed
- Number of motor vehicle sales finance licenses

- Number of credit access business licenses
- Number of property tax lender licenses
- Number of residential mortgage loan originator licenses

## **GOAL C: FINANCIAL LITERACY**

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To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### **OBJECTIVE**

**C.1.** Increase awareness by providing Texans with access to resources and financial education opportunities and by creating transparency regarding consumer transactions.

### **STRATEGY**

**C.1.1.** Develop and administer formal education programs specific to the subprime demographic and include general information brochures made available through state agency partners, financial service providers and trade organizations, and through participation in community events.

### **OUTCOME MEASURE**

- Number of Texas consumers reached through agency participation at community events, presentations, and online resources.

### **OUTPUT MEASURES**

- Number of consumers receiving financial education
- Number of contacts made with community organizations and media outlets.

### **OBJECTIVE**

**C.2** Administer the Texas Financial Education Endowment (TFEE) on behalf of the Finance Commission and establish a program that effectively supports financial education, capabilities, and asset-building opportunities, and deploys fund earnings distributions of 4.5%.

### **STRATEGY**

**C.2.1** Solicit funding requests from organizations that strive to increase and promote financial capability of individuals, and encourage personal financial education and responsibility within the state of Texas.

**C.2.2.** Award endowment funds, through a competitive grant process that meets program objectives and goals as identified and prioritized for each grant cycle.

### **OUTCOME MEASURES**

- Total dollar amount of grant awards distributed within the grant cycle.

### **OUTPUT MEASURES**

- Number of consumers served/trained.

## **GOAL D: EFFICIENT AND EFFECTIVE AGENCY OPERATION**

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To deliver high quality, effective regulation of nonbank financial services by ensuring that the OCCC operates and performs at the highest standards of accountability, transparency, compliance, professional conduct and ethics, stewardship, and conservation of funds.

**SCHEDULE B: PERFORMANCE MEASURE DEFINITIONS**

|                   |  |
|-------------------|--|
| <b>Agency:</b>    | Office of Consumer Credit Commissioner   |
| <b>Goal:</b>      | <b>Consumer Protection</b> -- To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation. |
| <b>Objective:</b> | Resolve 95% of written consumer complaints within 90 calendar days, except those requiring an on-site investigation.   |
| <b>Strategy:</b>  | Resolve consumer complaints expeditiously, identify problem creditors and industry practices, and advise creditors and consumers on their rights, remedies, and responsibilities.  |

**Outcome Measure:** Percent of written complaints resolved within 90 calendar days.

**Definition**

The percentage of written complaints received from consumers that are resolved within 90 calendar days.

**Purpose/Importance**

The measure provides useful information for management purposes and is helpful for noting variances and determining resource allocation.

**Source/ Collection of Data**

Once a complaint is received (orally or written), Consumer Assistance staff members enter a record of the complaint within the database. When a complaint is closed, notations are made indicating the closing date and disposition, as well as a specific statement of resolution noting the actions that resulted in the complaint’s closing. If a complaint results in an on-site investigation or referred to legal, the complaint is closed in the database as a complaint. The database calculates the number of days to close the complaint. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

A percentage is obtained by dividing the total number of written complaints that were resolved in 90 calendar days or less by the total of all written complaints resolved during the reporting period. The calculation is automated within the database.

**Data Limitations**

Consumers and financial service providers may not respond to the agency’s requests for information, which results in an administrative closure of the complaint. This administrative closure occurs one month following the close of a month in which an information request has been unanswered. Additionally, the agency’s personnel determine the merit or lack thereof in a complaint although a consumer or company representative may not agree; these

**Calculation Type**

Non-cumulative

complaints will be closed based upon the agency's regulatory analysis; however, a complainant or company representative may not always agree with the view that the complaint is closed.

**New Measure**

No

**Target Attainment**

Higher than target

**Outcome Measure:** Monies Returned to Consumers

**Definition**

Monies returned to consumers as a result of agency complaint resolution or field investigation regarding financial service providers.

**Purpose/Importance**

This measure provides information regarding the dollar value of monies returned to consumers by financial service providers.

**Source/ Collection of Data**

Once a complaint (orally or written) is received, Consumer Assistance staff members enter a record of the complaint within the database. Next, requests for information, the actions taken, and a summary of the complaint are documented in the database. After reviewing the transaction agency staff may recommend a corrective action as a resolution or, on occasion, a complaint arises to the level to necessitate field investigation. In both cases, the financial service provider is notified of any required corrective action. The correction may include a credit to the consumers account or a direct refund. The correction is noted in the monetary field in the database and the complaint or investigation is closed. This monetary information is maintained in the database. At times, a determination may be made that no violation of the statute has occurred and the consumer may be advised of other common law rights.

A monthly report of the monies returned to the consumers is generated from the database identifying the amount of restitution. This report is submitted to executive management.

**Method of Calculation**

The amount of monetary corrections from complaint and field investigation resolution is summed. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

This measure is driven by complaints and by improper practices. The agency does not control complaint volume and the level of cooperation of the industry, or level of responsiveness, all of which directly impact the agency's performance of this measure. Copies or proof of actual refunded amounts may not be received in this office, but may simply be an amount stated by the creditor and conveyed to the consumer. The agency

**Calculation Type**

Cumulative

operates under the assumption that should the amount of the refund differ from that conveyed to the consumer, the consumer would call with an additional complaint.

**New Measure**  
No

**Target Attainment**  
Higher than target

**Output Measure:** Number of Complaints Closed

**Definition**

Total number of complaints (oral and written), resolved and closed, by Consumer Assistance staff.

**Purpose/Importance**

This measure provides information on the number of complaints closed by the Consumer Assistance staff, whether they were closed administratively or as the result of resolution. This measure will also include the number of complaints closed and referred for an onsite investigation or legal staff for enforcement action.

**Source/ Collection of Data**

When a complaint is received (orally or written), Consumer Assistance staff members enter a record of the complaint within the database. Next, contact with the licensee may be initiated or a request for information from the consumer is made. The actions taken and a summary of the complaint are documented or coded in the database. When a complaint is closed, a notation is made in the database detailing the closing date, a specific statement of resolution expressing the action that resulted in the complaint's closing, and the number of processing days required to resolve the complaint is calculated by the database. A report is generated from the database. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

The database sums the total of all complaints in which the closing date in the database falls within the reporting period. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

When a consumer does not respond to requests for information, which is beyond the agency's control, the complaint must be closed administratively. This administrative closure will occur one month following the close of a month when an information request has been unanswered. Additionally, the agency's personnel determine the merit or lack thereof in a complaint although a consumer or company representative may not agree; these complaints will be closed based upon the agency's regulatory analysis, however, a complainant or company representative may

**Calculation Type**  
Cumulative

not always agree with the view that the complaint is closed.

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Field Investigations Closed

**Definition**

Total number of field investigations resulting from consumer complaints that are closed; agency identified alleged violations and law enforcement agencies or financial service provider complaints. Closure is the resolution of the complaint issue.

**Purpose/Importance**

The measure provides information relative to the number of field investigations closed, types of investigations, length of time to close those investigations, and the final disposition of those investigations.

**Source/ Collection of Data**

Information is obtained from several sources that may trigger a field investigation: consumer complaints, agency identified alleged violations, law enforcement agency referrals, or industry complaints. When a complaint is received (either orally or in writing), a record is entered into the database. Additional information may be requested from the complainant or contact with the complaint provider may be initiated to assist with resolution of the complaint. The actions taken and a summary of the complaint are documented in the database. On occasion, field examiners or office staff may observe activities or obtain information that a company is not in compliance with state statutes. On these occasions, a field investigation may be assigned to obtain the necessary information for the agency to determine any actions required to bring the party into compliance. When a complaint rises to the magnitude to necessitate a field investigation, it is assigned to an investigator by senior enforcement staff and entered into the database. The professional analysis of the senior enforcement team must be relied upon to make the appropriate allocation of resources. All investigation assignments and closures are reviewed and approved by the Director of Consumer Protection.

A report is generated from the database identifying the number of investigations that are closed during the reporting period. This report is reviewed by executive management on a weekly and annual basis.

**Method of Calculation**

The database sums the number of investigations closed within the reporting period. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

This measure is driven in large part by complaints. The agency is unable to control complaint volume, level of cooperation by the industry, or level of responsiveness by entities being investigated, all of which directly impact

**Calculation Type**

Cumulative

the agency's performance on this measure.

**New Measure**

No

**Target Attainment**

Higher than target

**Explanatory Measure:**

Number of Consumer Assistance Helpline Calls Received

**Definition**

Total number of telephone calls received by the agency's helpline.

**Purpose/Importance**

This measure provides information on the extent to which the agency was able to help Texas consumers and financial service providers contact the appropriate regulatory authority and obtain answers to questions relating to or other financial service transactions, or to resolve conflicts with the financial services industry. The helpline provides a method for free and quick access to the state regulatory authority.

**Source/ Collection of Data**

When a consumer calls the agency on the helpline, an automated call distribution system routes the call to a trained complaint specialist who may answer a simple inquiry, refer the caller to another regulatory agency, or take a complaint and proceed toward resolution. The automated call distribution system produces activity reports which allow the agency to review activity and ensure consumers are efficiently routed to complaint specialists to effectively obtain the information they require. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

The sum of the daily totals for the reporting period from the automated call distribution system reports are entered into a monthly summary report. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The automated reports may include calls from the industry, calls may be lost while waiting in queue, or calls may be received when the office is closed. Additionally, the numerous calls received on the agency's regular phone lines and not the agency's helpline are not included within the automated reports. Call volume is a direct result of a consumer's need for assistance and is outside the agency's control. Further, consumers are moving towards accessing needed assistance through the agency website and online complaint forms. Over time, it is expected that this may become the predominate method of contact displacing the large volume of calls on the consumer helpline.

**Calculation Type**

Cumulative



**New Measure**

No

**Target Attainment**

Higher than target

|                   |  |
|-------------------|--|
| <b>Agency:</b>    | Office of Consumer Credit Commissioner   |
| <b>Goal:</b>      | <b>Consumer Protection</b> -- To ensure timely, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation. |
| <b>Objective:</b> | Strive to ensure a degree of compliance that result in 85% of examinations meeting acceptable levels of compliance   |
| <b>Strategy:</b>  | Examine regulated entities to determine the level of compliance with applicable statutes and regulations and initiate administrative enforcement action against licensees who commit violations.   |

**Outcome Measure:** Percentage of Examinations Reporting Acceptable Level of Compliance

**Definition**

The percentage of licensee examinations, during the reporting period, that received an acceptable compliance rating, as determined by guidelines set in agency policies

**Purpose/Importance**

This measure provides information on the extent to which licensees are in substantial compliance with the applicable state and federal laws. The agency's examination function provides a regulatory review of transactions and ensures compliance. These compliance examinations may result in monetary corrections to Texas consumers that cure violations of Texas laws.

**Source/ Collection of Data**

Examinations are scheduled based upon on compliance risk. Once scheduled, an examination is conducted. Upon completion of the examination, the examiner will assign a rating signifying the licensee's overall compliance level. Agency personnel provide the licensee a report of findings. Key information from the examination is entered into the database. The agency produces reports from the database reflecting the examinations processed and the examination ratings. The data from these reports is used to calculate the percentage of examinations reporting an acceptable level of compliance. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

A percentage is obtained by dividing the total number of examinations processed with an acceptable level of compliance (as determined by the agency), by the total number of processed examinations during the reporting period. The calculation is automated within the database. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The agency's examiners make a determination of compliance levels and use a

**Calculation Type**

Non-cumulative

rating system to identify licensees with an acceptable or unacceptable level of compliance. These examination ratings are based upon the agency's regulatory analysis. This measure is driven by the level of licensee compliance.

**New Measure**  
No

**Target Attainment**  
Higher than target

**Outcome Measure:** Monies or Credits Returned to Consumers from Licensees

**Definition**

The total dollar amount of restitution returned to consumers as a result of examinations involving licensees.

**Purpose/Importance**

This measure provides information on the extent to which the agency helps Texas consumers reach fair and equitable solutions with the financial services industry in Texas. As part of its regulatory program, the agency performs compliance exams. When a licensee is found to have made an error, the agency may require restitution to consumers.

**Source/ Collection of Data**

The return of monies may occur through the correction of a finding during an examination. When a determination is made that a refund or credit is due to a consumer, agency staff will provide direction to the licensee. The agency records the return of monies to consumers from licensees in the database once the evidence of the refund is received by the agency. The monies are reported in the reporting period in which the examination is closed. The amounts are totaled from the database. This information is reported and a copy of the documentation of the refund is filed in the consumer protection section. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

The amount of monetary corrections from licensees is summed. This would include amounts identified through examinations. The performance measure result will be reviewed and certified at least quarterly and annually.

**Data Limitations**

This measure is driven in large measure by the level of compliance of licensees. Refunds resulting from an examination will be verified by reviewing check copies or account numbers and the date of the refunds. If the number of accounts requiring refunds is substantial, sampling may be used to verify the cumulative refund totals.

**Calculation Type**  
Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Outcome Measure:** Percentage of Licensees Examined Annually**Definition**

The percentage of licensees examined annually.

**Purpose/Importance**

This measure provides information on the extent to which the agency is able to effectively regulate the financial service providers operating in Texas. As a part of its regulatory program, the agency performs compliance examinations that often result in correction of licensee procedures. These examinations may also require restitution to consumers either in the form of credits on an account or in direct refunds

**Source/ Collection of Data**

Examinations are scheduled on a risk basis. Once processed, information from the examination is entered into the database. The amount reported is the number of examinations processed during the period divided by the total number of active licensees as calculated by the database. A monthly report is submitted to executive management

**Method of Calculation**

A percentage is obtained by dividing the total number of examinations processed during a reporting period by the total of all active licensees as of the last day of the reporting period and then displayed as a percentage. The calculation is automated within the database. The performance measure result will be reviewed and certified at least annually by a staff.

**Data Limitations**

The number of active licensees changes continually. The percentage derived as of the end of each reporting period may be subject to slight misstatement should a large group of licenses be issued, canceled, or inactivated during the reporting period. Additionally, the measure is subject to the same data limitations of the output measure "number of compliance examinations performed".

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Outcome Measure:** Percentage of Re-examinations Resulting in Acceptable Compliance Rating**Definition**

The percentage of licensees that obtain an acceptable level of compliance during the examination process after receiving an unacceptable level of compliance rating from the

previous examination.

**Purpose/Importance**

This measure provides information on the extent to which the agency was able to bring the licensees into compliance with the provisions of Texas' credit laws. Mandating corrective actions that result in compliance of a licensee previously identified as noncompliant is a key regulatory function that measures the agency's success as an effective regulator.

**Source/ Collection of Data**

When an examination is performed, an internal rating that establishes the degree of compliance a licensee has demonstrated is assigned. These compliance ratings are entered into the database. Licensees not in compliance are scheduled for re-examination after adequate time has elapsed for the licensee to comply with the examination report instructions. Once the re-examination is complete a compliance rating is determined, a report is provided to the licensee and a copy is transmitted to Austin. Licensees that have substantial compliance on the re-examination return to the normal examination interval. The database maintains information for the three most recent examinations, including examination compliance ratings. These fields are used to extract reports for this calculation. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

A percentage is obtained by dividing the total number of re-examinations processed that result in an acceptable level compliance by the total number of re-examinations processed during the reporting period. This calculation is automated within the database. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The measure is limited primarily by the licensee's response to the mandated corrective actions. The agency may influence, but cannot control if, or how, a licensee implements the corrective actions. This measure relies on the regulatory analysis and training of the agency's examination staff in developing the compliance rating that is assigned.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Compliance Examinations Performed

**Definition**

The total number of examinations of licensees performed.

**Purpose/Importance**

The purpose of this measure is to track the number of compliance exams conducted by

the agency staff during the reporting period. This measure provides useful information to management regarding variances and resource allocation.

**Source/ Collection of Data**

Examinations are based upon a risk assessment. Once completed, the examination details are entered into the database. A monthly report is submitted to executive management summarizing this activity.

**Method of Calculation**

The database counts the number of examinations processed during a reporting period. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

Examinations are counted when the report is processed. The report is processed when the examiner submits all the relevant details into the database. Examinations may not be conducted during the same month in which they are processed and counted.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Enforcement Actions Taken

**Definition**

The total number of final orders in disciplinary type (enforcement) actions. These may include revocations, suspensions, administrative penalty assessments, administrative injunctions, reprimands, or cease-and-desist orders.

**Purpose/Importance**

This measure provides information on the extent to which the agency effectively regulates the consumer financial services industry in Texas. When substantial noncompliance exists or failure to adequately respond to agency instructions or statutory requirements, an enforcement action may be necessary to obtain compliance with Texas laws.

**Source/ Collection of Data**

When an enforcement action is taken, the agency assigns a tracking number and the case is entered into the database. As the case moves through the process, key dates (final order is recorded and the case closed) are entered on the log. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The count of the entries that are closed during a reporting period is totaled and reported. Final order dates are recorded as the closing date for all disciplinary actions including revocation, suspension, administrative penalty, administrative injunction, and a cease and refrain. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

Simply beginning an enforcement action may influence licensees as well as non-licensees to comply and to attain settlement with the agency. Not all enforcement actions result in a hearing and a final order.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of advisory bulletins published.

**Definition**

Total number of advisory bulletins issued and distributed to address common compliance problems or violations.

**Purpose/Importance**

This measure relates to guidance published by the agency to avoid common problems and pitfalls when applying Texas credit laws. The bulletins help financial service providers to avoid costly compliance mistakes. The bulletins also help to create a level playing field for all market participants, and consistent protection for consumers.

**Source/ Collection of Data**

This measure provides information on the extent to which the agency helps the Texas financial services industry avoid systemic problems and common pitfalls when applying the credit laws. The bulletins provide an educational outreach from the regulatory authority to industry representatives that should help the industry avoid costly compliance mistakes and support the overarching goal of consumer protection.

**Method of Calculation**

The total of the compliance bulletins is computed by counting the number of bulletins issued during the reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

Bulletins are created by legal staff in response to potential or pervasive compliance issues that should be addressed directly by the industry. This measure is driven by improper financial provider practices. Generally, the number of practices brought to the agency's attention during each reporting period is beyond the agency's control.

**Calculation Type**

Cumulative

**New Measure**

No

**Desired Performance**

Higher than target

**Output Measure:** Number of enforcement action and corrective action summaries published.

**Definition**

Total number of enforcement action and corrective action summaries issued and distributed to regulated entities and published on the agency website for the public.

**Purpose/Importance**

This measure summarizes enforcement and correction actions initiated by the agency and imposed upon non-compliant financial service providers. The summaries help financial service providers to avoid costly compliance mistakes. The summaries also help to create a level playing field for all market participants, and consistent protection for consumers.

**Source/ Collection of Data**

Enforcement action summaries are calculated from actions initiated through the agency’s legal or consumer protection departments. Summaries are issued at least annually, at the request of the commissioner, or upon recommendation of the enforcement staff. The summaries are distributed either through licensing renewals as administrative action summaries, through a newsletter, or through publication to the agency’s website. The agency’s General Counsel reports these summaries to executive staff during regular weekly meetings.

**Method of Calculation**

The total of the enforcement and corrective action actions is computed by counting the number of actions initiated during the reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

Summaries are created by agency legal staff in response to enforcement or corrective actions initiated as a result of a financial service provider’s noncompliance with statutory and regulatory requirements. This measure is driven by improper financial provider practices. Generally, the number of practices brought to the agency’s attention during each reporting period is beyond the agency’s control, and the agency takes appropriate action using available resources.

**Calculation Type**

Cumulative

**New Measure**

No

**Desired Performance**

Higher than target

|                   |  |
|-------------------|--|
| <b>Agency:</b>    | Office of Consumer Credit Commissioner   |
| <b>Goal:</b>      | <b>Effective Licensing &amp; Registration</b> -- To provide a quality, streamlined program of licensing and registration that ensures high standards for financial service providers and effectively serves the market demand for fair but competitive and transparent consumer credit and financial services. |
| <b>Objective:</b> | To process business and pawnshop employee license applications within an average time of 30 days of receipt of a completed application.  |
| <b>Strategy:</b>  | Investigate and process applications for regulated entities and pawnshop employee licenses.  |

**Outcome Measure:** Average Processing Time (days) for License Applications

**Definition**

The total average time (in days) to take final action on a license application.

**Purpose/Importance**

This measure provides information on the extent to which the agency was able to efficiently process applications and fulfill its statutory responsibility to license and regulate the financial services industry in Texas.

**Source/ Collection of Data**

Applications are received either through 1) direct entry of information by the applicant into the online regulatory platform, ALECS, or 2) receipt of paper based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. ALECS produces a report based on the activity in the reporting period that totals the number of days from the receipt date to the completion date for all license applications with a final action during that reporting period. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

ALECS counts the total number of days from receipt date to completion date for applications having a final action during the reporting period. The database then sums the days and divides the total number of processing days by the number of applications processed during the reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations, all of which are unpredictable

**Calculation Type**

Non-cumulative



and outside of the agency's control, directly impact the agency's performance.

**New Measure**

No

**Target Attainment**

Lower than target

**Outcome Measure:** Average Processing Time (days) for Pawnshop Employee Applications

**Definition**

The total average time (in days) to take final action on a pawnshop employee license application.

**Purpose/Importance**

This measure provides information on the extent to which the agency was able to process pawnshop employee applications efficiently and fulfill its statutory responsibility to license and regulate pawnshop employees in Texas.

**Source/ Collection of Data**

Applications are received either through 1) direct entry of information by the applicant into the online regulatory platform, ALECS, or 2) receipt of paper based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. ALECS produces a report based on the activity in the reporting period that totals the number of days from the receipt date to the completion date for all license applications with a final action during that reporting period. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

ALECS counts the total number of days from receipt date to completion date for applications having a final action during the reporting period. The database then sums the days and divides the total number of processing days by the number of applications processed during the reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations, all of which are unpredictable and outside of the agency's control, directly impact the agency's performance

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Lower than target

**Outcome Measure:** Average Processing Time (days) for Residential Mortgage Loan Originators

**Definition**

The total average time (in days) to take final action on a residential mortgage loan originator application.

**Purpose/Importance**

This measure provides information about the processing time for individual loan officers licensed in property tax lending, manufactured housing, secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/ Collection of Data**

An application for a new residential mortgage loan originator license is received through the nationwide mortgage licensing system (NMLS). When the application investigation is complete, a final action (approval or denial) is taken and the date of action is entered into NMLS. The system produces a report based upon activity in the reporting period that totals the number of days from the completion date to date of action for all license applications with a final action during the reporting period. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The system provides reports where days outstanding can be calculated. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive pertinent information all of which are unpredictable and outside the agency’s control, directly impact the agency’s performance.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Lower than target

**Output Measure:** Number of Business Applications Processed

**Definition**

The total number of licensing applications from regulated entities that have a final action taken.

**Purpose/Importance**

This measure provides information on the extent to which the agency fulfills its statutory responsibility to license and regulate the financial services industry in Texas.

**Source/ Collection of Data**

Applications are received either through 1) direct entry of information by the applicant into the online regulatory platform, ALECS, or 2) receipt of paper based forms, which requires manual entry into ALECS by agency staff. As applications are entered into

ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts all applications that have had final action during the reporting period. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

The activity in the industry, the timeliness of applicant responses to requests for additional information, and the volume of applications received, which are unpredictable and outside the agency's control, directly impact the agency's performance.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Pawnshop Employee License Applications Processed

**Definition**

The total number of pawnshop employee license applications with a final action.

**Purpose/Importance**

This measure provides information on the extent to which the agency was able to process pawnshop employee applications and fulfill its statutory responsibility to license and regulate pawnshop employees in Texas.

**Source/ Collection of Data**

Applications are received either through 1) direct entry of information by the applicant into the online regulatory platform, ALECS, or 2) receipt of paper based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. Upon an employee's termination from a pawnshop, a final action (withdrawal) is entered into ALECS and a date of action is assigned to the record. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

ALECS counts all applications with a final action during the reporting period. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

The activity in the industry, the timeliness of applicant responses to requests for additional information, and the volume of applications received, which are unpredictable and outside the agency's control, directly impact the agency's performance.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:**

Number of Administrative Hearings Conducted

**Definition**

The number of hearings held before the administrative law judge. Hearings include contested cases on enforcement actions and application denials for registrations or licenses under the regulatory authority of the agency.

**Purpose/Importance**

This measure reflects the number of times a person appealed the agency's enforcement action, including denying a license or registration application, to an administrative law judge.

**Source/ Collection of Data**

If the agency denies an application for a license or registration, the applicant has the right to appeal that decision to an administrative law judge. An applicant may appeal by sending the agency a request for a hearing. Upon receipt of the request, the agency notifies the applicant of the hearing date and the facts and laws at issue. An administrative law judge conducts the hearing, and issues a proposal for decision. These hearings are tracked by the agency's legal section in a database. The agency's General Counsel reports the number and type of all hearings, as well as other enforcement actions, to executive staff during regular weekly meetings.

**Method of Calculation**

When an applicant appeals the denial of his or her application, the appeal is referred to legal staff. Legal staff assigns a tracking number and enters the case into a database. The number of hearings during the reporting period is calculated from the database. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

Administrative hearings are often cancelled before an actual hearing occurs because the agency is able to resolve the issues through an agreed settlement, or the person withdraws the hearing request. This measure captures the number of hearings in which agency staff actually participates.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Registrations Processed**Definition**

The total number of financial service providers registered with the agency at the end of the reporting period to include registered creditors, debt management and debt settlement service providers, crafted precious metal dealers, and refund anticipation loan facilitators.

**Purpose/Importance**

This measure provides clarity about the size of industries that register with the agency. Creditors are those retail credit sellers that register with the agency and do not include the licensed entities regularly examined by the agency. Other areas include businesses that offer types of financial services to consumers such as gold buyers, debt settlement companies, and tax preparers who offer cash advances on income tax refunds.

**Source/ Collection of Data**

When an entity is registered, they are added to the appropriate registration database. Throughout the year new registrations are received, registrations are surrendered, and annually registrations are renewed. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of registrations in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or business volumes of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Residential Mortgage Loan Originator Licenses Processed**Definition**

The total number of residential mortgage loan originator applications with a final action.

**Purpose/Importance**

This measure provides information about the processing time for licensed applications for individuals in the property tax lending, manufactured housing, secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/ Collection of Data**

Applications for a new residential mortgage loan originator license are received through the nationwide mortgage licensing system (NMLS). When the application investigation is

complete, a final action (approval or denial) is taken on the application and the outcome is entered into NMLS with the date of action. Upon notification of an applicant's status change, the date of action is entered. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The nationwide mortgage licensing system counts all applications with a final action during the reporting period. The performance measure will be reviewed and certified at least quarterly.

**Data Limitations**

This activity and the volume of applications received, which are unpredictable and outside the agency's control, directly affect the agency's performance. When an applicant fails to respond to requests for information, the application must be closed through application abandonment. This is issued only after requests for information go unanswered.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Explanatory Measure:**

Number of Regulated Loan Licenses

**Definition**

The total number of regulated loan licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/ Collection of Data**

Each approved regulated loan license in the database reflects the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency's performance. This measure

**Calculation Type**

Non-cumulative

does not provide any information about asset size or loan volume size of the industry.

**New Measure**

No

**Target Attainment**

Higher than target

**Explanatory Measure:**

Number of Pawnshop Licenses

**Definition**

The total number of pawnshop licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/ Collection of Data**

Each approved pawnshop license in the database reflects the location and status of the license as either active or inactive. Annually, licenses are renewed, and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Explanatory Measure:**

Number of Pawnshop Employee Licenses

**Definition**

The total number of pawnshop employee licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides information about the number of individuals licensed and

regulated by the agency in the pawn industry

**Source/ Collection of Data**

Approved pawnshop employee license database reflects pertinent licensing information. Throughout the year new applications are approved, licenses are surrendered, and annually licenses are renewed. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The activity in the industry directly impacts the agency’s performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Data Limitations**

The activity in the industry directly impacts the agency’s performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Explanatory Measure:**

Number of Registrations Processed

**Definition**

The total number of registrations, currently in force, at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the industries registered with the agency.

**Source/ Collection of Data**

Each registration is entered in the database showing the location and status of the license as either active or inactive. Annually, registrations are renewed, and new registrations are approved throughout the year. Occasionally, a registrant may surrender a registration. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of registrations in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency’s performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative



**New Measure**

No

**Target Attainment**

Higher than target

**Outcome Measure:** Number of Motor Vehicle Sales Finance Licenses**Definition**

The total number of motor vehicle sales finance licenses, including registered offices, currently in force, at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/ Collection of Data**

Each motor vehicle sales finance license and registered office is entered in the database showing the location and status of the license as either active or inactive. Annually, licenses are renewed, and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Desired Performance**

Higher than target

**Explanatory Measure:**

Number of Credit Access Business Licenses

**Definition**

The total number of credit access business licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the size of one of the industries regulated by the agency

**Source/ Collection of Data**

Each credit access business license approved is entered in the database showing the location and status of the license as either active or inactive. Annually, licenses are

renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency’s performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Desired Performance**

Higher than target

**Explanatory Measure:**

Number of Property Tax Lender Licenses

**Definition**

The total number of property tax lender licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/ Collection of Data**

Each property tax lender license is entered in the database showing the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency’s performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Desired Performance**

Higher than target

**Explanatory Measure:**

Number of Residential Mortgage Loan Originator Licenses

**Definition**

The total number of residential mortgage loan originator licenses currently in force at the end of the reporting period.

**Purpose/Importance**

This measure provides information about the number of individuals licensed in the property tax lending, manufactured housing, and secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/ Collection of Data**

Each residential mortgage loan originator license is recorded in the National Nationwide Multistate Licensing System & Registry (NMLS). Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from NMLS summarizing activity and current status of licenses. A monthly report is submitted to executive management summarizing the activity.

**Method of Calculation**

The database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually.

**Data Limitations**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type**

Non-cumulative

**New Measure**

No

**Desired Performance**

Higher than target

|                   |   |
|-------------------|---|
| <b>Agency:</b>    | Office of Consumer Credit Commissioner  |
| <b>Goal:</b>      | <b>Financial Literacy</b> -- To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation among the non-bank financial services industry, the consumer public, and the agency.  |
| <b>Objective:</b> | Increase awareness by providing Texans with access to resources and financial education opportunities and by creating transparency regarding consumer transactions.   |
| <b>Strategy:</b>  | Develop and administer formal education programs specific to the subprime demographic and include general information brochures made available through state agency partners, financial service providers and trade organizations, and through participation in community events. |

**Outcome Measure:** Number of Texas consumers reached through agency participation at community events presentations, and online resources.

**Definition**

The aggregate number of Texas consumers reached through participation at community events, presentations, and online resources.

**Purpose/Importance**

This measure provides nominal feedback regarding Texas consumers reached through agency initiatives.

**Source/ Collection of Data**

Consumer Education staff collect participant signatures during community presentations. Additional sources of data collection include the number of registrants participating in financial education webinars and the number of unique visitors to the financial literacy website obtained through web analytics.

**Method of Calculation**

The numbers of participants are summed. The calculation will be reviewed and certified at least quarterly.

**Data Limitations**

The agency counts the attendees at each event where it participated and at which it provides educational information to those attendees. The agency also employs available metadata analytics to track how often a specific web page or resource is accessed; it is assumed all resources are wholly viewed or used when accessed by the consumer.

**Calculation Type**

Cumulative

**New Measure**

No

**Target Attainment**

Higher than target

**Output Measure:** Number of Consumers Receiving Financial Education

**Definition**

The aggregate numbers of consumers who attend direct education classes presented by the agency or partnering organization.

**Purpose/Importance**

This measure provides information on the extent to which the agency or partnering organization was able to directly provide Texas consumers with financial education. It allows the agency to focus on delivering more comprehensive and effective financial education to specific target audiences. This information helps to create well-informed, educated consumers and empowers them to make good credit choices. Partnerships with other agencies efficiently broaden the capacity for statewide outreach.

**Source/ Collection of Data**

Agency personnel receive invitations to speak to consumer groups throughout the year in small classroom settings. The agency takes advantage of opportunities to directly provide information to consumers about the use of credit and their rights and responsibilities. The sum of attendees is tracked and calculated in an effort to determine the agency’s ability to provide financial education; and to determine the effectiveness of collaborating with other agencies.

**Method of Calculation**

The total population who receive direct educational services from agency personnel is taken from a monthly report maintained by staff and reported to executive management. The report is maintained along with requisite supporting documentation. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations**

With larger groups, not all attendees where the agency participated and provided educational information to those attendees may sign in.

**Calculation Type**

Cumulative

**New Measure**

No

**Desired Performance**

Higher than target

**Output Measure:**

Number of contacts made with community organizations and media outlets

**Definition**

The aggregate number of contacts made with community organizations and media outlets.

**Purpose/Importance**

This measure provides nominal information regarding contacts with community organizations with which the agency collaborates and assists with statewide consumer outreach and financial literacy initiatives. This measure also identifies statewide financial literacy programs and resources available to consumers.

**Source/ Collection of Data**

Agency personnel receive invitations to participate in community-sponsored events, publish informational materials, public service announcements, resources and opportunities. The agency is also invited to collaborate with community organizations and state agencies. The agency takes advantage of those opportunities to directly provide information about regulated industries, consumer education, and available resources. The sum of contacts with whom the agency directly interacts is tracked and calculated in an effort to determine the ability to provide consumer education and information.

**Method of Calculation**

Consumer Education staff maintains an electronic record of all community contacts. The numbers of community contacts are summed. The calculation will be reviewed and certified at least quarterly.

**Data Limitations**

The agency counts the number of published materials but will not necessarily know how many consumers may read publications.

**Calculation Type**

Cumulative

**New Measure**

No

**Desired Performance**

Higher than target

|                    |  |
|--------------------|--|
| <b>Agency:</b>     | Office of Consumer Credit Commissioner   |
| <b>Goal:</b>       | <b>Financial Literacy</b> -- To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation among the non-bank financial services industry, the consumer public, and the agency.   |
| <b>Objective:</b>  | Administer the Texas Financial Education Endowment (TFEE) on behalf of the Finance Commission and establish a program that effectively supports financial education, capabilities, and asset-building opportunities, and deploys fund earnings distributions of 4.5%.  |
| <b>Strategies:</b> | <p>Solicit funding requests from organizations that strive to increase and promote financial capability of individuals, and encourage personal financial education and responsibility within the state of Texas.</p> <p>Award endowment funds, through a competitive grant process that meets program objectives and goals as identified and prioritized for each grant cycle.</p> |

**Output Measure:** Total dollar amount of grant awards distributed within the grant cycle.

**Definition**

The total dollar amount of grant awards distributed within the grant cycle.

**Purpose/Importance**

This measure provides information on the total dollar amount of grants awarded during a grant cycle. This information measures the fund distributions to statewide programs providing financial capability and education.

**Source/ Collection of Data**

Upon Finance Commission approval of recommended awards recipients, monetary distributions are awarded during a given grant cycle. Financial records and supporting written requests and reports by grant recipients document the distribution of funds.

**Method of Calculation**

The TFEE grant coordinator enters and updates the information for each grant recipient on an electronic spreadsheet. The total dollar amount of distributions is summed and reported annually to the Finance Commission.

**Data Limitations**

Distribution amounts could fluctuate depending on rates of return for monies

**Calculation Type**

Cumulative

invested with the Texas Treasury Safekeeping Trust.

**New Measure**

No

**Desired Performance**

Higher than target

**Output Measure:** Number of consumers served or trained.

**Definition**

The total numbers of participants reached through grant funded activities.

**Purpose/Importance**

This measure provides information on the extent to which the grantee was able to provide Texas consumers with financial education. This information helps to create well-informed, educated consumers empowered to make good financial choices.

**Source/ Collection of Data**

This agency will collect data from the semiannual grant reports submitted by TFEE grantees. This information is reported to Grant Advisory Committee, Audit Committee, and Finance Commission and ensures grant recipients are meeting intended goals. This method of data collection gives an accurate depiction of the number of those who benefit from grant funded activities.

**Method of Calculation**

Grant recipients submit periodic performance reports. The TFEE grant coordinator maintains an electronic record of all data reported by grant recipients and the number of consumers served or trained by the grant recipient is summed.

**Data Limitations**

Number of consumers served or trained is reported by grant recipients and collected by the grant administrator only during grant funding cycles. Once the grant recipient ceases to provide the grant-funded program services or is no longer receiving grant funds, data is not reported to the grant administrator.

**Calculation Type**

Cumulative

**New Measure**

No

**Desired Performance**

Higher than target

## **SCHEDULE C: HISTORICALLY UNDERUTILIZED BUSINESS PLAN**

### HISTORICALLY UNDERUTILIZED BUSINESS STRATEGIC PLAN

The Office of Consumer Credit Commissioner is committed to a good faith effort to increase purchases from and contract awards to Historically Underutilized Business (HUB) firms consistent with the State's goals for HUB participation and overall economic development.

### PROGRAM GOALS

The function of the State HUB Program is to assist certified minority and woman-owned businesses in bidding for contracts and open market purchases with Texas State agencies, including institutions of higher education. HUB owners represent economically disadvantaged persons of a qualifying group (Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, American Women, and Disabled Veterans). OCCC is committed to maximizing the opportunity for HUB firms to provide goods and services needed to support the Agency.

Through the implementation of this program, the Agency commits to fostering an environment to meet or exceed the State's annual percentage goals for HUB participation in purchases of and contracts for the following procurement categories:

- 11.2% Heavy Construction (other than building contracts)
- 21.1% Building Construction
- 32.9% Special Trade Construction
- 23.7% Professional Services
- 26.0% Other Services
- 21.1% Commodities

### OBJECTIVES

In an effort to meet or exceed the State's annual goals for HUB participation, OCCC has established the following objectives:

- Establish administrative policies and procedures necessary for efficient and effective management control of the HUB program;
- Enhance the ability of HUBs to compete for contracts and purchases;
- Encourage HUBs to participate in the competitive bid process with the objective of increasing the number of contracts awarded to HUB suppliers; and
- Strive to meet the State's six (6) category goals of eligible contracts awarded to HUBs to the extent that the agency has purchases within the respective categories.

### STRATEGIES

- Create an environment to adequately manage the HUB program
- Identify Reporting Requirements
- Participate in HUB procurement workshops and seminars

### OUTPUT MEASURES

- Number of HUBs contractors and subcontractors contacted for bid proposals
- Number of HUBs contracts and subcontracts awarded
- Dollar value of HUB contracts and subcontracts awarded



**SCHEDULE D: STATEWIDE CAPITAL PLANNING**

NOT APPLICABLE

**SCHEDULE E: HEALTH & HUMAN SERVICES STRATEGIC PLANNING**

NOT APPLICABLE

## SCHEDULE F: AGENCY WORKFORCE PLAN & TEXAS WORKFORCE COMMISSION STRATEGIC PLANNING

### AGENCY WORKFORCE PLAN

#### PHASE I - OVERVIEW

The mission of the Office of Consumer Credit Commissioner (OCCC) is to regulate the credit industry and to educate consumers and creditors, fostering a fair, lawful, and healthy credit environment for economic prosperity in Texas.

It is accomplished through five primary functional areas: Consumer Assistance, Examination and Enforcement, Licensing and Registration, Financial Education, and Legal and Administration.

The Agency's strategic goals are to protect consumers, provide a quality-streamlined program of licensing and registration, educate consumers and financial service provider about their rights and establish and implement policies governing purchasing and public works contracts that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

The core business functions are:

- **Regulate** fairly, efficiently, and effectively, balancing the needs of both consumers and creditors by enforcing Texas credit laws and licensing qualified financial service providers;
- **Educate** consumers of their rights, responsibilities and remedies and financial services providers of their rights and responsibilities;
- **Communicate** collaboratively with and encourage communication among the financial services industry, consumer public, and the agency; and
- **Protect** and safeguard consumers against abusive, unfair, and deceptive lending practices.

The industries regulated by the OCCC operate within a dynamic financial service marketplace that adjusts to evolving products and business practices, market pressures, and changes in federal, state, and municipal regulation. The degree to which these influences will affect the OCCC's regulated population may vary and may contribute to changes within the agency's licensee population.

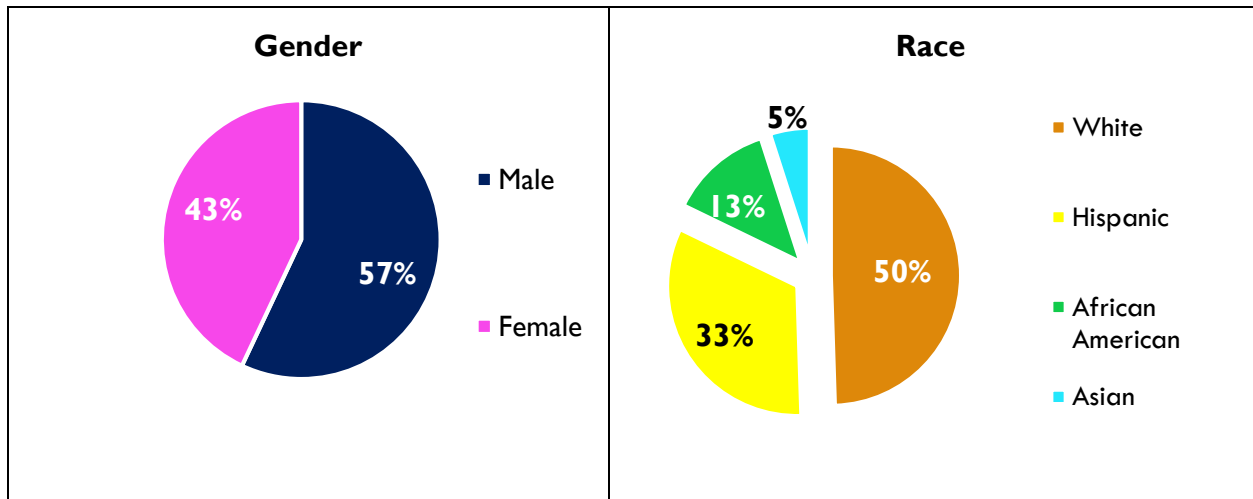
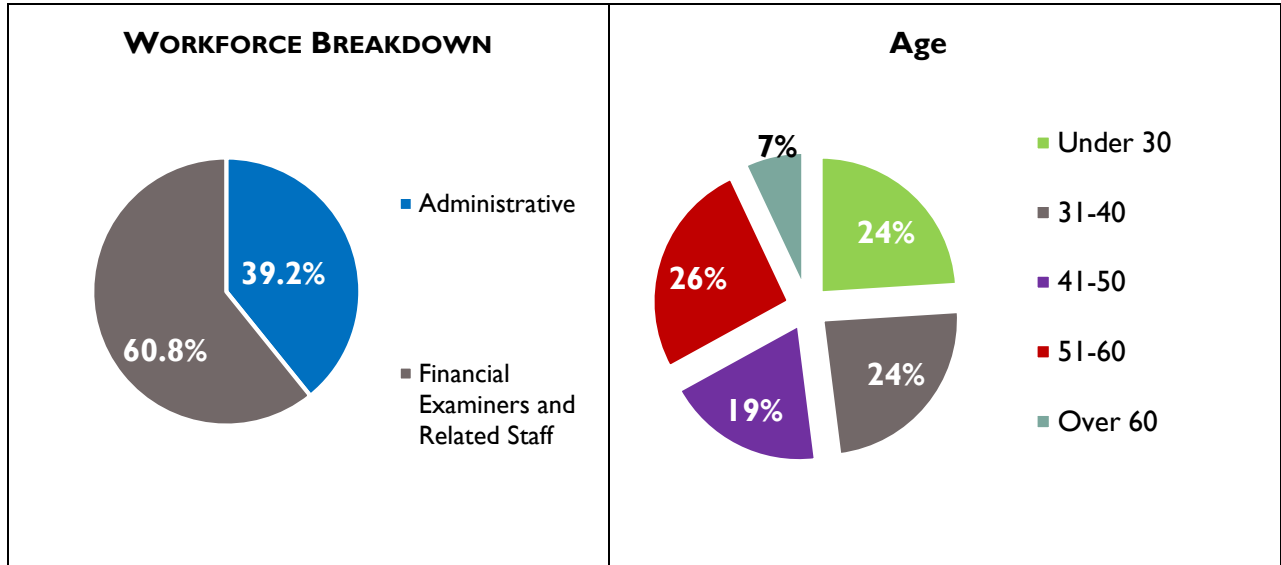
The OCCC seeks to recruit, develop, and retain employees with the skills and competencies required to support its regulatory activities. The agency will adjust staffing strategies to complement changes within the industries it regulates to ensure the agency's core functions are performed effectively and efficiently. The OCCC has placed an emphasis on career progression, competitive salaries, and succession planning. Strategies for each have been implemented within the previous two years and emphasize development, retention and reduced turnover.

#### PHASE 2

##### STEP 1 – CURRENT WORKFORCE PROFILE

As a small state agency, the importance of developing and retaining qualified staff at all levels of the agency is paramount to the agency's continued success and operation. A significant portion of staff experience and expertise for examiners is primarily developed in-house and gained through professional development and career progression within the agency. The OCCC places a priority on the professional development of its staff and is committed to developing a workforce that is prepared to respond and adapt to the dynamic nature of the financial service and consumer credit marketplace.

As of May 2016, the OCCC's workforce of 85.5 FTEs was comprised of 57% males and 43% females. Overall, 36% of the agency's employees had more than five years' service, and 23% had less than two years' service. The median age of agency employees is 42.6 and the average age is 41.7. The staff is comprised of financial examiners, attorneys, licensing and permit specialists, accountants, investigators, other professionals and support personnel.



Although 14% of the OCCC's staff is eligible for retirement within the next five years, the agency does not believe retirement will account for a majority of separations during the immediate future. Effective implementation of strategies related to succession planning, recruitment, retention, staff development, and general sharing of the agency's knowledge bases are vital to the continued effectiveness, continuity, and adaptability.

The OCCC competes with non-depository financial service providers, other state agencies, and federal regulatory agencies for its professional staff, especially within the financial examiner occupational series. The OCCC has been authorized to employ 92.5 FTEs. Currently 42.5 FTEs are allocated to the Austin headquarters, representing

executive, administrative, and review examiner positions. The remaining 43 FTEs represent field and supervisory examiners, who are headquartered in various regions throughout the state.

As a small state agency, the importance of retaining qualified staff at all levels of the agency is paramount to the agency's continued success and operation. Retention is of particular importance within the financial examiner series. A significant portion of staff experience and expertise for examiners is primarily developed in-house and gained through professional development and career progression within the agency.

The effects of turnover may have substantial consequences to the OCCC and thus, the agency attempts to manage turnover within acceptable limits. Many factors and conditions affecting an agency's turnover ratio, such as employment market conditions that may drive higher turnover from time to time. . The OCCC believes a normal turnover ratio is between 10-15%. The agency has seen the turnover rates vary from a low of 10.4% in 2012 to a high of 24.7% in fiscal year 2013 over the last 5 years. The agency turnover rate has remained below the state average except for fiscal year 2013. FY 2015 separations were primarily split between "Interagency Transfers" and "Public Sector/Federal" employment opportunities. Of those separations, the majority of those employees had between 2 and 5 years of service.

Financial Examiners represented eight of the 15 separations in FY 15. The financial examiner series represents the largest component of the agency's workforce and is the most costly to the agency in terms of replacement costs. The OCCC provides specific professional training to individuals selected for these positions concentrated during the first three years of employment; activities which represent significant monetary and time commitments by the agency.

The OCCC must continue to trim turnover within the lower financial examiner levels. Historically, the OCCC has experienced the highest levels of turnover within the Financial Examiner I and II levels. This may be attributed to the nature of work of the position, an individual not being a good fit for the position, or travel requirements. During fiscal year 2015, 100% of the separating financial examiners had less than five years of service with the OCCC. The OCCC sees an opportunity to strengthen its retention efforts for examiners in the 2-5 year tenure range. Mentoring, cross-training opportunities, and career ladder progressions are key strategies for examiners in this range. The OCCC will continue to focus on market competitiveness, effective recruitment and selection strategies, and retention to continue to keep turnover lower than the state average.

The OCCC continues to identify possibilities to reduce travel and encourage team approaches for its financial examiners, as well as providing for work/life balance across all departments in the agency. Continued improvements relating to infrastructure, functionality of office space, and better use of technology have created additional enhancements for work processes conducted by a growing, mobile and dispersed workforce.

The list below highlights the workforce skills critical to the mission and goals of the OCCC including knowledge of or experience in:

- Examination procedures and related state and federal financial protection laws for non-depository financial services entities covering multiple products and services
- State and federal regulatory controls, statutes, and administrative codes related to non-depository financial service products
- Analysis and reporting tools related to financial data and consumer financial products
- Corporate structures, business operating procedures, management control, and internal reporting techniques
- Financial industry terminology and practices
- Economic and accounting principles

- Statistical analysis and techniques
- Financial reports and reporting structures or mechanisms
- Training procedures and techniques
- Information Technology examination or auditing

## STEP 2 – FUTURE WORKFORCE PROFILE

Economic and environmental factors facing the OCCC's staff over the next five years include: an improving economy, market competitiveness, turnover and retention of financial examiners, and retirement-eligible employees. During fiscal year 2015, the OCCC felt the strongest impact of these effects with eight financial examiners departing the agency.

While the OCCC is committed to the retention of staff, particular emphasis is placed upon the financial examiner series. Competition with the private sector as well as with regulatory agencies such as the Consumer Financial Protection Bureau (CFPB) is expected to increase and retention of these individuals is vital to the effectiveness of the OCCC's regulatory programs. The OCCC regularly reviews its in-house training as well as external development opportunities and curricula to provide specific training related to regulated industries.

A career ladder and progression program allowing for movement within levels I through III of the financial examiner series is providing opportunities for field examiners to participate in projects and team-based work (e.g. out-of-state examinations) to further develop competencies and skill sets. The goal of the OCCC is to recruit and select quality candidates for entry-level financial examiners positions, to consistently and effectively develop those candidates for increased scope of responsibility, and to identify those who may be developed for future supervisory and leadership roles. The OCCC emphasizes the need to incentivize and retain those examiners within two to five years of agency service; to utilize them to assist in the training and development of entry-level examiners; and to integrate identified candidates into succession planning. The OCCC desires that 50% of its full-time employee staff to have agency tenure of at least five years.

Assessing and determining the future requirements for the agency's workforce encompasses a broad range of duties, needed competencies and skills, and programmatic concerns. These issues have been identified through the agency's strategic planning process, interaction with industry stakeholders, and discussions with OCCC staff members. As the OCCC's regulatory role adapts to an ever-dynamic and evolving nondepository financial services marketplace, the OCCC will need qualified staff that can be developed to serve the industry and consumers in Texas in response to anticipated changes and growth across the OCCC's regulated industries.

### EXPECTED WORKFORCE DYNAMICS

- Increased use of technology to provide service and maximize efficiency.
- Increased use and development of subject matter experts.
- Increased investigations into unlicensed businesses.
- Increased communication, collaboration, and partnerships with external stakeholders
- Increased number of public information requests

### CRITICAL FUNCTIONS

- Increased examination activity in response to the growth and evolution of consumer credit products.
- Increased collaboration with federal and state regulators.
- Increased collaboration with industry stakeholders.
- Increased demand in supervisory resources due to larger workforce and increased number of examinations.

- Increased review of electronic and web-based consumer credit products and the use of information technology at the regulated entity level.
- Development and retention of qualified professionals.
- Development and implementation of effective succession plans.

### STEP 3 – GAP ANALYSIS

As the OCCC's regulated population evolves, adjustments to the agency's workforce plan will be made through the addition, deletion, or realignment of positions and responsibilities. The agency's SDSI status enables it to respond to changes in the regulatory environment in a well-timed manner. The OCCC uses this flexibility to recruit and retain financial examiners in a highly competitive market, in the face of direct competition of a new federal financial regulator. It has decreased turnover and allowed the OCCC to respond to dramatic growth in regulated industries, such as the motor vehicle sales finance industry. Further, it provides the OCCC with flexibility to expand or diminish its resources in response to economic conditions.

In the last three years, the OCCC has increased FTEs by 5% (4 positions). This was to ensure effective regulation and consumer protection, the agency's goal to examine licensed entities on a regular and more short-term cycle and to comply with the recommendations provided by Finance Commission members and industry stakeholders alike.

Nonetheless, the OCCC's ratio of employees to licensees remains the lowest among all regulatory agencies. This ratio demonstrates our ability to deliver premier services in a cost-effective and prudent manner within our limited resources. Depending on the fluctuation of the regulatory environment, the OCCC anticipates the need for 2.5 FTEs to continue fulfilling the mission of the agency and to provide the level of customer service that is expected for consumers, licensees, and other stakeholders.

### STEP 4 – STRATEGY DEVELOPMENT

The OCCC's goal is to retain its professional workforce and to meet the special needs described above. Future changes in the organizational structure may be necessary to respond to changing workloads or new initiatives to ensure that the mission of the OCCC is accomplished efficiently. The OCCC will continue to utilize a wide range of recruiting sources to secure the maximum number of qualified applicants, including minorities and women, for available positions within all classifications.

The OCCC will also continue to maintain and hone its career ladder and provide on-the-job training and in-house programs for employees and, when possible, provide funding for workshops, seminars, and other programs offered by universities, other agencies, and private entities to develop leadership and career development.

Training opportunities for staff remain a high priority for the OCCC. Cooperative state training opportunities are a valuable method for knowledge enhancement and the OCCC will continue to make substantial efforts to utilize these tools. These cooperative training opportunities allow staff to learn about important subject matter while working with their counterparts in other states.

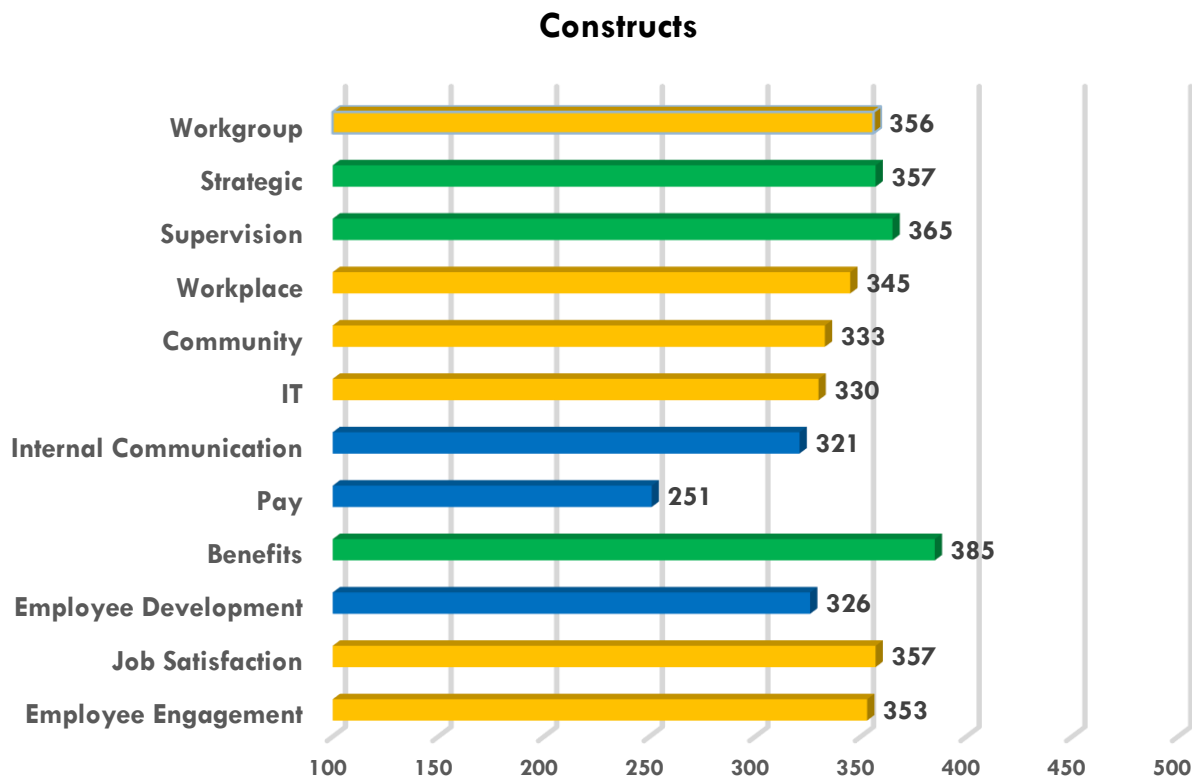
Succession planning will remain an ongoing process of recruitment, retention, methodical development of required skills through training and experience, cross training, and careful evaluation of individual job performance. This will maintain the depth of skilled personnel at key positions on the OCCC's career ladder necessary to ensure continuation of the efficiency and effectiveness of the OCCC. Preparing qualified staff to carry on the roles of senior management and leadership will require specialized training, internal development through mentoring and project assignment, and other educational opportunities to develop technical and managerial skills.

## EMPLOYEE ENGAGEMENT SURVEY

In November 2015, OCCC participated in the Survey of Employee Engagement (SEE). Surveys were emailed to 83 employees statewide and 82 surveys were completed and returned, giving an excellent response rate of 98.8%. Survey findings were made available to the department in late February 2015. At 98.8%, the response rate is considered high. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace.

The overall score is a broad indicator for comparison purposes with other entities. Scores above 350 are desirable, and when scores dip below 300, there should cause for concern. The OCCC overall score was 342.

Within the survey, there are 12 constructs or organizational topics in the survey. The following tables show the highest scoring constructs and the lowest scoring constructs in the survey.



## SCHEDULE G: REPORT ON CUSTOMER SERVICE

The Office of Consumer Credit Commissioner (OCCC) developed an online Customer Engagement Survey designed to gather pertinent and meaningful data related to its customers' level of satisfaction with the OCCC's regulatory, consumer assistance, and financial literacy programs. The survey allowed customers to provide feedback and rate the performance of individual departments or work sections with which they had direct contact and of the agency as a whole. To gain the most valuable feedback, the OCCC identified those customers who had had contact with the OCCC during the previous 60 – 90 days; customer contacts were identified through database reporting used to track such contacts and reports generated. The OCCC selected the population of each survey group and issued 1,495 invitations to participate in the agency's online surveys. Data collection occurred over a twelve-week period; the survey was accessible via SurveyMonkey. The OCCC also e-mailed reminder notices halfway through the data collection period asking recipients to participate if they had not already done so. The OCCC chose to provide an online survey instrument to conserve funds and employ cost controls. Customers were invited to participate in one of two individual surveys:

| 2015 Customer Engagement Surveys |  |   |
|----------------------------------|--|---|
|                                  | Consumer Assistance Survey   | Customer / Licensee Engagement Survey   |
| <b>Invited Participants</b>      | <p>Consumers and individuals who contacted the Consumer Assistance Department, either by telephone or through written correspondence.</p> <p>Businesses and organizations who responded to a request for information issued by the Consumer Assistance Department.</p> | <p>Businesses and individuals who submitted new applications or registrations to the Licensing Department, through ALECS.</p> <p>Existing licensees and registrants who made changes to existing licenses and registrations with the Licensing Department, either through written correspondence or use of ALECS.</p> <p>Licensees who were examined by the Consumer Protection Department, either through an onsite examination performed by a field examiner or through a desk audit performed by Austin-based examiners.</p> |
| <b>Survey Dates</b>              | 2/01/2016 – 4/25/2016  | 2/01/2016 – 4/25/2016   |
| <b>Selection Criteria</b>        | Those who contacted the Consumer Assistance Department or who responded to a request within the previous 60 days.  | Those who submitted new license or registration applications or who conducted self-service transactions and amendments within the previous 60 days or those licensees who were examined within the previous 90 days.  |
| <b>Number of Invitations</b>     | 223  | 1,272   |
| <b>Number of Responses</b>       | 34   | 228   |
| <b>Percentage of Respondents</b> | 15.25%   | 17.92%  |



## **SURVEY ANALYSIS OF FINDINGS**

It is important to know that when reviewing the following data, low response rates may generally yield results that reflect the feelings of those with the most positive or negative impressions of, or experiences with, the OCCC and consequently may skew the analysis of the findings. The results show a general satisfaction with the agency's services as a whole across the two survey. More than 89% of all respondents expressed satisfaction with the agency's timeliness, accessibility, professionalism, and level of knowledge retained within the agency.

Customers expressed general satisfaction with the agency's examination and enforcement section and 98% of respondents agreed that examiner requests for information prior to or during an examination are timely and reasonable. Examiners are generally considered professional, knowledgeable about industry issues, and adequately trained to address examination matters. Additionally, respondents indicated examiners generally answered questions thoroughly and are qualified to examine licensees. Ninety-eight percent of the respondents agreed that exams are conducted without placing an undue burden on their company. Respondents rated their overall experience of the examination section to be 100% satisfaction.

Respondents conveyed an increased level of general satisfaction to neutral feelings regarding interactions and communications with the agency's licensing and registration department: 90.65% of respondents believe the licensing staff provides timely and appropriate communication and believe the staff is generally accessible. Ninety-three percent of respondents believe the licensing staff conducts themselves in a professional manner, clearly communicates requests for additional information, and is professional and courteous. Over ninety-four percent of respondents consider the licensing and registration processes to be easily understood, which represents an increase of 6 percentage points from the 2013 survey. Respondents rated their overall experience of the licensing and registration department to be 97% satisfaction.

In 2015, the consumer assistance section took over 30,000 calls and email inquiries. In most cases, consumer assistance representatives and investigators are able to help resolve an amicable outcome for both the consumer and the financial service provider. In some occurrences, staff has been successful in achieving similar results with entities not regulated by the agency. Of the 223 consumers and businesses invited to participate, 34 provided feedback or 15.25%. From this data, the agency concluded 86.2% of respondents believed the consumer assistance staff to be generally accessible, professional and courteous, and provides timely responses. The information received regarding the interactions with the Legal Department and Financial Literacy staff was not sufficient to be able to determine satisfaction or dissatisfaction with the process. The data from the survey reveals that a majority of customers are satisfied with the services the OCCC provides, however, areas of opportunity have been identified for future services or enhancement of existing services as it relates to accessibility within functional departments, effective and informative communication with external customers, and strengthening knowledge bases throughout the agency staff.

## SCHEDULE H: ASSESSMENT OF ADVISORY COMMITTEES

### SECTION A: INFORMATION SUBMITTED THROUGH ADVISORY COMMITTEE SUPPORTING SCHEDULE IN LEGISLATIVE APPROPRIATIONS REQUEST

|   |   |   |     |                              |                               |                              |  |
|---|---|---|-----|------------------------------|-------------------------------|------------------------------|--|
| <b>Committee Name:</b>  | Grant Advisory Committee  |   |     |                              |                               |                              |  |
| <b>Number of Members:</b>   | 7   |   |     |                              |                               |                              |  |
| <b>Committee Status (Ongoing or Inactive):</b>  | Ongoing   | Note: An Inactive committee is a committee that was created prior to the 2014-15 biennium but did not meet or supply advice to an agency during that time period. |     |                              |                               |                              |  |
| <b>Date Created:</b>  | 12/11/2013  | <b>Date to Be Abolished:</b>  |     |                              |                               |                              |  |
| <b>Budget Strategy (Strategies) (e.g. 1-2-4)</b>  | n/a   | <b>Strategy Title (e.g. Occupational Licensing)</b>   | n/a |                              |                               |                              |  |
| <b>Budget Strategy (Strategies)</b>   | n/a   | <b>Strategy Title</b>   | n/a |                              |                               |                              |  |
| <b>Advisory Committee Costs: This section includes reimbursements for committee member costs and costs attributable to agency staff</b> |   |   |     |                              |                               |                              |  |
| <b>Committee Members' Direct Expenses</b>   |   |   |     | <b>Expended<br/>Exp 2015</b> | <b>Estimated<br/>Est 2016</b> | <b>Budgeted<br/>Bud 2017</b> |  |
|   | Travel  |   |     | \$0                          | \$0                           | \$0                          |  |
|   | Personnel   |   |     | \$0                          | \$0                           | \$0                          |  |
|   | Number of FTEs  |   |     | 0.0                          | 0.0                           | 0.0                          |  |
|   | Other Operating Costs   |   |     | \$0                          | \$0                           | \$0                          |  |
|   | <i>Total Committee Expenditures</i>   |   |     | \$0                          | \$0                           | \$0                          |  |
| <b>Committee Members' Indirect Expenses</b>   |   |   |     | <b>Expended<br/>Exp 2015</b> | <b>Estimated<br/>Est 2016</b> | <b>Budgeted<br/>Bud 2017</b> |  |
|   | Travel  |   |     | \$0                          | \$0                           | \$0                          |  |
|   | Personnel   |   |     | \$0                          | \$0                           | \$0                          |  |
|   | Number of FTEs  |   |     | 0.0                          | 0.0                           | 0.0                          |  |
|   | Other Operating Costs   |   |     | \$0                          | \$0                           | \$0                          |  |
|   | <i>Total Committee Expenditures</i>   |   |     | \$0                          | \$0                           | \$0                          |  |
| <b>Method of Financing</b>  |   |   |     | <b>Expended<br/>Exp 2015</b> | <b>Estimated<br/>Est 2016</b> | <b>Budgeted<br/>Bud 2017</b> |  |
|   | Method of Finance   |   |     |                              |                               |                              |  |
|   | 1- General Revenue Fund   |   |     | \$0                          | \$0                           | \$0                          |  |
|   |   |   |     | \$0                          | \$0                           | \$0                          |  |
|   |   |   |     | \$0                          | \$0                           | \$0                          |  |
|   |   |   |     | \$0                          | \$0                           | \$0                          |  |
|   |   |   |     | \$0                          | \$0                           | \$0                          |  |
|   | Expenses / MOF's Difference:  |   |     | \$0                          | \$0                           | \$0                          |  |
| <b>Meetings Per Fiscal Year</b>   |   |   |     | 0                            | 0                             | 0                            |  |
| <b>Committee Description:</b>   | The GAC serves in an advisory role to the Finance Commission. The GAC: makes program recommendations to the Finance Commission Audit Committee; evaluates grant proposals; and advises the development of the grant program. There are no costs associated with this committee. Although there are two Finance Commission Members who serve on this committee, their travel is coordinated with their Finance Commission duties and avoids extra costs for this committee. All other members are volunteers who receive no funds to cover their expenses. |   |     |                              |                               |                              |  |

**SECTION B: ADDITIONAL COMMITTEE INFORMATION**

Committee Bylaws: Please provide a copy of the committee's current bylaws and most recent meeting minutes as part of your submission.

1. When and where does this committee typically meet and is there any requirement as to the frequency of committee meetings?

2. What kinds of deliverables or tangible output does the committee produce? If there are documents the committee is required to produce for your agency or the general public, please supply the most recent iterations of those.

(1) A written recommendation to the Finance Commission regarding grant awards. (2) Evaluation of grant proposals.

3. What recommendations or advice has the committee most recently supplied to your agency? Of these, which were adopted by your agency and what was the rationale behind not adopting certain recommendations, if this occurred?

The GAC serves in an advisory role to the Finance Commission and the Office of Consumer Credit Commissioner. The GAC: makes program recommendations to the Finance Commission Audit Committee; evaluates grant proposals; and advises the development of the grant program.

4a. Does your agency believe that the actions and scope of committee work is consistent with their authority as defined in its enabling statute and relevant to the ongoing mission of your agency?  4b. Is committee scope and work conducted redundant with other functions of other state agencies or advisory committees?

5a. Approximately how much staff time (in hours) was used to support the committee in fiscal year 2015?

5b. Please supply a general overview of the tasks entailed in agency staff assistance provided to the committee.

The Grant Coordinator summarized comments and scores for the selection of the upcoming grant cycle.

6. Have there been instances where the committee was unable to meet because a quorum was not present?  Please provide committee member attendance records for their last three meetings, if not already captured in meeting minutes.

7a. What opportunities does the committee provide for public attendance, participation, and how is this information conveyed to the public (e.g. online calendar of events, notices posted in Texas Register, etc.)?

The committee provides opportunities during the application process at the time of submission and then during the Finance Commission meetings which are posted to the public on its website and in the Texas Register.

7b. Do members of the public attend at least 50 percent of all committee meetings?  7c. Are there instances where no members of the public attended meetings?

8. Please list any external stakeholders you recommend we contact regarding this committee.  
Rob Norcross (Consumer Alliance of Texas) rnorcross@vianovo.com and Bee Moorehead (Texas Impact) bee@texasimpact.org

9a. In the opinion of your agency, has the committee met its mission and made substantive progress in its mission and goals?

9b. Please describe the rationale for this opinion.  
The GAC has provided pertinent advice to the Finance Commission that has enabled it to administer its responsibilities under the Texas Finance Code § 393.628.

10. Given that state agencies are allowed the ability to create advisory committees at will, either on an ad-hoc basis or through amending agency rule in Texas Administrative Code:

10a. Is there any functional benefit for having this committee codified in statute?  10b. Does the scope and language found in statute for this committee prevent your agency from responding to evolving needs related to this policy area?

10c. If "Yes" for Question 2b, please describe the rationale for this opinion.

11a. Does your agency recommend this committee be retained, abolished or consolidated with another committee elsewhere (either at your agency or another in state government)?

11b. Please describe the rationale for this opinion.  
This committee has a very specific purpose, which is to assist the Finance Commission during the grant process. The responsibility for the program is expected to continue.

12a. Were this committee abolished, would this impede your agency's ability to fulfill its mission?

12b. If "Yes" for Question 4a, please describe the rationale for this opinion.

13. Please describe any other suggested modifications to the committee that would help the committee or agency better fulfill its mission.