

NOTICE OF PRECOMMENT DRAFT
TFEE Rule Review
September 5, 2024

The Office of Consumer Credit Commissioner (OCCC) intends to present rule amendments to Title 7, Chapter 7 of the Texas Administrative Code, resulting from the rule review for the Texas Financial Education Endowment (TFEE). The OCCC intends to present the amendments for proposal at the Texas Finance Commission's October 25 meeting.

The attached September 5 precomment draft contains amendments to 7 Tex. Admin. Code Sections 7.101, 7.103, 7.104, and 7.105.

Summary of Rule Amendments

In the OCCC's rules for TFEE at 7 Tex. Admin. Code Chapter 7, the proposed rule amendments include the following:

- **Citation updates:** Sections 7.101, 7.104, and 7.105 would be amended to update references to the statutory section authorizing TFEE, which is now located in Section 14.113 of the Finance Code. This would ensure consistency with statutory amendments passed by the Texas Legislature in SB 1371 (2023).
- **Longitudinal report:** Section 7.103 would be amended to specify content required to be included in a grantee's six-month longitudinal report and to specify the deadline for the report.
- **Investment standard:** Section 7.105 would be amended to refer to the current statutory investment standard for TFEE, which is the prudent person standard. This would ensure consistency with statutory amendments passed by the Texas Legislature in SB 1371 (2023).

Submission of Informal Precomments

Informal precomments on the draft rules may be submitted by email to rule.comments@occc.texas.gov, or by mail to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Blvd., Austin, Texas 78705.

Precomments submitted to the OCCC are generally public. Please redact all confidential information before submitting precomments to the OCCC.

Informal precomments on the OCCC's September 5 precomment draft must be received by 5:00 p.m. on September 19, 2024.

**OCCC TFEE Rule Review Amendments
9/5/2024 Precomment Draft**

Title 7, Texas Administrative Code

Part 1. Finance Commission of Texas

Chapter 7. Texas Financial Education Endowment Fund

§7.101. Applicability and Purpose

(a) **Applicability.** This chapter governs the administration of the Texas Financial Education Endowment (TFEE) fund as provided by Texas Finance Code, §14.113. [~~§393.628.~~]

(b) - (c) (No change.)

§7.103. TFEE Grant Program

(a) - (f) (No change.)

(g) **Reporting and monitoring.**

(1) **General reporting requirements.** To receive reimbursement of TFEE grant expenses, a grantee must:

(A) submit grant reports in a timely manner;

(B) maintain satisfactory compliance with the grant agreement and proposed grant activities;

(C) report performance measures; and

(D) track and report participant demographic information.

(2) **Semi-annual reports.** A grantee must submit semi-annual reports that demonstrate performance outcomes and financial information over the term of the grant in accordance with and by the deadlines set forth in the grant agreement.

(3) **Six-month longitudinal report.** A grantee must submit a comprehensive six-month longitudinal report after program completion to demonstrate program objectives and describe activity performed under the grant agreement. The longitudinal report is due on June 30 following the end of the grant programming cycle.

(4) **Monitoring.** The grant coordinator or GAC may use the following methods to monitor a grantee's performance and expenditures:

(A) Desk review. The grant coordinator or GAC may conduct a desk review of a grantee to review and compare individual source documentation and materials to summary data provided during the reporting process.

(B) Site visits and inspection reviews. The grant coordinator or GAC may conduct a scheduled site visit to a grantee's place of business to review compliance and performance issues. Site visits may be comprehensive or limited in scope.

(h) (No change.)

§7.104. TFEE Gifts and Donations

(a) Authorized gifts and donations.

(1) TFEE purpose. Under Texas Finance Code, §14.113(d), [~~§393.628(d)~~], the finance commission may solicit gifts, grants, and donations that fulfill the purpose of TFEE to support statewide financial education and consumer credit building activities and programs in this state, including the specific purposes provided by Texas Finance Code, §14.113(c). [~~§393.628(e)~~].

(2) Consumer credit educational purpose. Under Texas Finance Code, §14.105(a), the commissioner may accept gifts, grants, and donations on behalf of the state for a purpose related to a consumer credit educational opportunity, unless prohibited by Texas Finance Code, §14.105(b) or other law. A consumer credit educational opportunity is also considered to be a consumer credit building activity under TFEE.

(3) From state agencies. Under Texas Finance Code, §14.113(e), [~~§393.628(e)~~], the finance commission may partner with other state agencies to administer the TFEE fund, including the acceptance of gifts and donations from other state agencies, for the purposes outlined in paragraphs (1) and (2) of this subsection.

(4) From other parties. Gifts and donations from parties other than state agencies must meet the same criteria required for grantees eligible under §7.103(b) of this title (relating to TFEE Grant Program).

(b) (No change.)

§7.105. TFEE Fund Management

In accordance with Texas Finance Code, §14.113(b), [~~§393.628(b)~~], TFEE funds will be remitted to the comptroller for deposit in the Texas Treasury Safekeeping Trust Company. TFEE funds may be invested and reinvested under the prudent person standard described by Texas Constitution, Article VII, Section 11b [~~in the same manner as funds of the Employees Retirement System of Texas under Texas Government Code, Chapter 815, Subchapter D~~].