HCS SS SCS SB 346 -- FINANCIAL SERVICES

This bill makes several changes to the laws governing financial services. The bill:

(1) Gives priority to Article 9 securities over liens on deeds of trust and other instruments affecting real property in first classification counties which have two recorders' offices for the time period from June 30, 2001, to August 28, 2003;

(2) Adds $1 to the recording fee that county recorders charge for every document recorded. Additional moneys are to be sent to the county employees' retirement fund or to the general revenue fund of charter counties without a county employees' retirement fund. The bill contains an effective date of September 1, 2003, for this section;

(3) Allows the Missouri Higher Education Loan Authority (MOHELA) to originate PLUS Loans (Parent Loans for Undergraduate Students) and increases the term of the bonds the loan authority may sell from 30 years to 40 years;

(4) Allows the Division of Finance to obtain information filed with federal regulatory agencies, rather than requiring banks to file reports of condition directly with the division;

(5) Allows the division access to the work papers used in a certified public accountant's audit of a bank and requires the certified public accountant to maintain these records for three years after the report to the bank is issued;

(6) Requires banks to get prior approval from the division when the bank seeks to purchase real property for an amount that exceeds its loan limit or when the bank seeks to purchase property from an officer, shareholder, or other person with a similar relationship to the bank;

(7) Prohibits the division and the State Banking Board from setting conditions or requirements on deposit account fees or service charges assessed by financial institutions that are more restrictive than those allowed by federal law;

(8) Amends the definition of "unimpaired capital" by requiring that goodwill comprise no more than 10% of the lending institution's unimpaired capital;

(9) Establishes a process for establishing a new form of business entity called "trust holding company";

(10) Clarifies that trust holding companies will not be subject

to Federal Reserve examination;

(11) Requires any acquisition of a nondepository trust company by a trust holding company to be approved by the division;

(12) Allows the division to pursue joint actions and investigations of trust holding companies with other state and federal regulatory authorities;

(13) Allows electronic filing with the Office of the Secretary of State of certain filings of initial financing statements and abolishes the Uniform Commercial Code Transition Fee Trust Fund. The bill contains an effective date of September 1, 2003, for this section;

(14) Clarifies that credit card and debit card receipts may show only the last five numbers of the card on the receipts provided to the cardholder;

(15) Clarifies that several provisions relating to variable-rate loans (which are repealed in the bill) will continue to govern those loans currently in existence, even if the loan is converted to another form of credit later;

(16) Makes unclaimed property payable in the course of a demutualization, rehabilitation, or related reorganization of a mutual insurance company abandoned after two years. Under current law, property may have to go unclaimed for five or seven years to be considered abandoned;

(17) Repeals several sections of law setting requirements and restrictions on certain variable-rate loans;

(18) Repeals the limit on fees that financial institutions may charge for check overdrafts;

(19) Adds out-of-state municipal bonds to be offered to the State Treasurer as security by lending institutions. The bonds must be rated in the highest category by at least one nationally recognized rating agency;

(20) Allows the division to issue biennial consumer credit licenses for certain finance companies; and

(21) Allows financial institutions to charge late payment fees of up to $50 for certain consumer loans and second mortgages which are in default for more than 15 days.