

SCS SB 951 -- EMERGENCY RESPONSE WITHIN FINANCIAL INSTITUTIONS

SPONSOR: Scott (Spreng)

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Financial Institutions by a vote of 10 to 0.

This substitute allows the Governor, during a state of emergency, to authorize the Director of the Division of Finance and the Director of the Division of Credit Unions within the Department of Insurance, Financial Institutions, and Professional Registration to suspend laws and rules applicable to the divisions that are reasonable and necessary to preserve the safety and soundness of financial institutions, facilitate disaster response and recovery efforts to serve essential civil needs and protect the public interest, and coordinate emergency response with financial institutions and emergency responders. The division directors must file written waivers, suspensions, actions, and directives in the director's office.

Currently, banks and trust companies may operate under emergency bylaws in certain circumstances. The substitute allows banks and trust companies to do the same when the General Assembly or Governor declares a state of emergency. The board of directors or the president of the bank or trust company must notify the Director of the Division of Finance of the implementation of emergency bylaws and the status of its emergency response operations.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill allows the Division of Finance and the Division of Credit Unions to be included in emergency declaration orders so these agencies can move promptly to respond and authorizes banks and credit unions to respond and restore financial services following an emergency.

Testifying for the bill were Senator Scott; Division of Finance, Department of Insurance, Financial Institutions, and Professional Registration; Missouri Credit Union Association; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.