

FIRST REGULAR SESSION

HOUSE BILL NO. 1090

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE STREAM.

2384L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 367.300 and 367.305, RSMo, and to enact in lieu thereof two new sections relating to loan brokers, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 367.300 and 367.305, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 367.300 and 367.305, to read as follows:

367.300. As used in sections 367.300 to 367.310, unless the context otherwise requires, the following terms shall mean:

(1) "Advance fee", any consideration which is assessed or collected prior to the closing by a loan broker, **provided, however, that any fee that is only to be paid to a loan broker out of the proceeds of a consummated loan shall not be deemed an advance fee;**

(2) "Borrower", a person obtaining or desiring to obtain a loan of money, a credit card, or a line of credit;

(3) "Loan", an agreement to advance money or property in return for the promise to make payments therefor;

(4) "Loan broker", any person; except any bank, savings and loan association, trust company, building and loan association, credit union, retail installment sales company, securities broker-dealer, real estate broker or salesperson, attorney, federal housing administration or veterans' administration approved lender, credit card company, installment loan licensee, mortgage banker or lender, or insurance company, provided that the person excepted is licensed by or subject to regulation or supervision of any agency of the United States or this state and, if licensed, is acting within the scope of the license; and also excepting subsidiaries of licensed or chartered banks or savings and loan associations; who:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (a) For or in expectation of consideration arranges or attempts to arrange or offers to
19 fund a loan of money, a credit card, or a line of credit;

20 (b) For or in expectation of consideration assists or advises a borrower in obtaining or
21 attempting to obtain a loan of money, a credit card, a line of credit, or related guarantee,
22 enhancement, or collateral of any kind or nature;

23 (c) Acts for or on behalf of a loan broker for the purpose of soliciting borrowers; or

24 (d) Holds himself out as a loan broker;

25 (5) "Principal", any officer, director, partner, joint venturer, branch manager, or other
26 person with similar managerial or supervisory responsibilities for a loan broker.

367.305. 1. No loan broker shall charge, assess, collect or receive an advance fee from
2 a borrower to provide services as a loan broker.

3 2. The knowing charging, assessment, collection or receipt of an advance fee, in
4 violation of this section, is a class A misdemeanor.

5 **3. No bank or other lender shall contract with a loan broker to arrange, attempt**
6 **to arrange, obtain, or attempt to obtain a loan for a borrower unless the contract between**
7 **the lender and the loan broker specifically allows the loan broker to charge the borrower**
8 **an application or other fee, in an amount to be determined by the loan broker, to**
9 **compensate the loan broker for its efforts on behalf of the bank or other lender.**

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