

HCS HB 746 -- RESIDENTIAL MORTGAGE LOAN BROKERS

SPONSOR: Crawford

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 12 to 0. Voted "Do Pass" by the Committee on Rules - Legislative Oversight by a vote of 10 to 0.

This bill allows a residential mortgage loan broker making loans exclusively on manufactured or modular homes to be licensed in this state without maintaining a full-service office in Missouri. The broker must file with his or her license application an irrevocable consent in a form as determined by the Director of the Division of Finance within the Department of Insurance, Financial Institutions and Professional Registration which provides that for any suit or action commenced against the broker in the courts of this state, the venue will lie in Cole County, Missouri.

The division director may assess the reasonable costs of any investigation incurred by the division which are outside the normal expense of any annual or special examination or any other costs incurred as a result of the broker not maintaining a full-service office in Missouri.

This bill is the same as HB 479 (2013).

PROPONENTS: Supporters say that this bill will provide financing for modular and manufactured homes. The current in-state rule has hindered the state having lenders for these homes. Missouri is one of four states in the country requiring an in-state location. None of the border states have this requirement. Sales of new manufactured homes in Missouri have decreased from 9,000 in 2001 to 900 today. In-state vendors are not offering this service and forcing the sales out-of-state.

Testifying for the bill were Representative Crawford and Tom Hager, Missouri Manufacturing Housing Association.

OPPONENTS: Those who oppose the bill say that the bill, as written, allows a mortgage broker to compete with existing brick and mortar businesses without the costs of having a Missouri location.

Testifying against the bill was the Mortgage Bankers Association of Missouri.