

SECOND REGULAR SESSION

# HOUSE BILL NO. 2886

## 102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE DIEHL.

5768H.011

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal section 370.120, RSMo, and to enact in lieu thereof one new section relating to credit union examinations.

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

Section A. Section 370.120, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 370.120, to read as follows:

370.120. 1. The director of the division of credit unions, in person or by his or her agents, shall examine each credit union annually and at other times as he or she shall direct, and at all times shall have free access to all books, papers, securities and other sources of information pertaining to the credit union; except that the division of credit unions shall examine qualifying credit unions, as determined by the director, at least once each eighteen calendar months.

2. The director of the division of credit unions and his or her agents may subpoena and examine witnesses under oath or affirmation, and documents pertaining to the business of the credit unions.

3. The director of the division of credit unions may accept, in lieu of making an annual examination of a credit union, an audit report of the condition of the credit union made by an auditor approved by the director of the division of credit unions for the purpose of making such credit union audits, the cost of which audit shall be borne by the credit union.

4. The director of the division of credit unions may accept, in lieu of conducting an annual examination of a credit union, a final examination report of the credit union made by the federal credit union insurer.

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.

17           **5. (1) The director, in conjunction with his or her examination, or in a separate**  
18 **examination prepared by the director if the credit union is examined according to**  
19 **subsection 3 or 4 of this section, shall assess the record of the credit union meeting the**  
20 **credit and deposit needs of its entire community, including persons under common**  
21 **bonds and persons in a geographic area, as applicable, including, but not limited to,**  
22 **minorities, women, and persons living in low- and moderate-income neighborhoods,**  
23 **consistent with the safe and sound operation of such institution. The results of the**  
24 **examination shall be presented to the credit union in a confidential written report to**  
25 **preserve the confidentiality of commercially sensitive information or the identities and**  
26 **personal information of individuals. The results of the examination shall also be**  
27 **presented to the public in a public written report. Each credit union, under the**  
28 **director's supervision, shall collect and maintain data required by the director to**  
29 **conduct the examination required under this subsection.**

30           **(2) The public section of the written evaluation shall state the director's**  
31 **conclusions, discuss the facts and data supporting such conclusions, and contain the**  
32 **credit union's rating and a statement describing the basis for the rating.**

33           **(3) The information required under subdivision (2) of this subsection shall be**  
34 **presented separately for each metropolitan area, each county, and each municipality in**  
35 **which the credit union originates deposits or loans.**

36           **(4) The director shall assign a public rating to the credit union as follows:**

37           **(a) "Outstanding record of meeting credit needs";**

38           **(b) "Outstanding record of meeting deposit needs";**

39           **(c) "Satisfactory record of meeting community credit needs";**

40           **(d) "Satisfactory record of meeting community deposit needs";**

41           **(e) "Needs to improve record of meeting community credit needs";**

42           **(f) "Needs to improve record of meeting community deposit needs";**

43           **(g) "Substantial noncompliance in meeting community credit needs"; or**

44           **(h) "Substantial noncompliance in meeting community deposit needs".**

45           **6. The director shall require each credit union with a rating assigned under**  
46 **paragraphs (e) to (h) of subdivision (4) of subsection 5 of this section to prepare and**  
47 **submit a written corrective action plan. The director may accept or reject the plan. If**  
48 **the plan is rejected, the director shall require a satisfactory plan to be submitted. When**  
49 **the plan is accepted, it shall be a public record. The director shall not approve any**  
50 **application by a credit union operating under a corrective action plan until such time as**  
51 **the credit union is next examined and attains a "satisfactory" or "outstanding" rating**  
52 **in each of the categories under subdivision (4) of subsection 5 of this section.**

53           7. The director may promulgate all necessary rules and regulations for the  
54 administration of this section. Any rule or portion of a rule, as that term is defined in  
55 section 536.010, that is created under the authority delegated in this section shall  
56 become effective only if it complies with and is subject to all of the provisions of chapter  
57 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable  
58 and if any of the powers vested with the general assembly pursuant to chapter 536 to  
59 review, to delay the effective date, or to disapprove and annul a rule are subsequently  
60 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
61 adopted after August 28, 2024, shall be invalid and void.

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