

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 754
AN ACT

To repeal sections 361.909, 362.020, 362.247, 362.275, 362.295, 362.490, 381.410, 427.300, and 447.200, RSMo, and to enact in lieu thereof ten new sections relating to certain financial organizations, with penalty provisions.

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

Section A. Sections 361.909, 362.020, 362.247, 362.275,
2 362.295, 362.490, 381.410, 427.300, and 447.200, RSMo, are
3 repealed and ten new sections enacted in lieu thereof, to be
4 known as sections 361.909, 362.020, 362.247, 362.275, 362.295,
5 362.424, 362.490, 370.245, 381.410, and 427.300, to read as
6 follows:

361.909. Sections 361.900 to 361.1035 shall not apply
2 to:

3 (1) An operator of a payment system to the extent that
4 it provides processing, clearing, or settlement services
5 between or among persons exempted under this section or
6 licensees in connection with wire transfers, credit card
7 transactions, debit card transactions, stored value
8 transactions, automated clearinghouse transfers, or similar
9 funds transfers;

10 (2) A person appointed as an agent of a payee to
11 collect and process a payment from a payer to the payee for
12 goods or services, other than money transmission itself,
13 provided to the payer by the payee, provided that:

14 (a) There exists a written agreement between the payee
15 and the agent directing the agent to collect and process
16 payments from a payer on the payee's behalf;

17 (b) The payee holds the agent out to the public as
18 accepting payments for goods or services on the payee's
19 behalf; and

20 (c) Payment for the goods and services is treated as
21 received by the payee upon receipt by the agent so that the
22 payer's obligation is extinguished and there is no risk of
23 loss to the payer if the agent fails to remit the funds to
24 the payee;

25 (3) A person that acts as an intermediary by
26 processing payments between an entity that has directly
27 incurred an outstanding money transmission obligation to a
28 sender and the sender's designated recipient, provided that
29 the entity:

30 (a) Is properly licensed or exempt from licensing
31 requirements under sections 361.900 to 361.1035;

32 (b) Provides a receipt, electronic record, or other
33 written confirmation to the sender identifying the entity as
34 the provider of money transmission in the transaction; and

35 (c) Bears sole responsibility to satisfy the
36 outstanding money transmission obligation to the sender,
37 including the obligation to make the sender whole in
38 connection with any failure to transmit the funds to the
39 sender's designated recipient;

40 (4) The United States or a department, agency, or
41 instrumentality thereof, or its agent;

42 (5) Money transmission by the United States Postal
43 Service or by an agent of the United States Postal Service;

44 (6) A state, county, city, or any other governmental
45 agency or governmental subdivision or instrumentality of a
46 state, or its agent;

47 (7) A federally insured depository financial
48 institution; bank holding company; office of an
49 international banking corporation; foreign bank that
50 establishes a federal branch under the International Bank
51 Act, 12 U.S.C. Section 3102, as amended or recodified from
52 time to time; corporation organized under the Bank Service
53 Corporation Act, 12 U.S.C. Sections 1861-1867, as amended or
54 recodified from time to time; or corporation organized under
55 the Edge Act, 12 U.S.C. Sections 611-633, as amended or
56 recodified from time to time, under the laws of a state or
57 the United States;

58 (8) Electronic funds transfer of governmental benefits
59 for a federal, state, county, or governmental agency by a
60 contractor on behalf of the United States or a department,
61 agency, or instrumentality thereof, or on behalf of a state
62 or governmental subdivision, agency, or instrumentality
63 thereof;

64 (9) A board of trade designated as a contract market
65 under the federal Commodity Exchange Act, 7 U.S.C. Sections
66 1-25, as amended or recodified from time to time, or a
67 person that, in the ordinary course of business, provides
68 clearance and settlement services for a board of trade to
69 the extent of its operation as or for such a board;

70 (10) A registered futures commission merchant under
71 the federal commodities laws to the extent of its operation
72 as such a merchant;

73 (11) A person registered as a securities broker-dealer
74 under federal or state securities laws to the extent of its
75 operation as such a broker-dealer;

76 (12) An individual employed by a licensee, authorized
77 delegate, or any person exempted from the licensing
78 requirements under sections 361.900 to 361.1035 if acting
79 within the scope of employment and under the supervision of

the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) A person expressly appointed as a third-party service provider to or agent of an entity exempt under subdivision (7) of this section solely to the extent that:

(a) Such service provider or agent is engaging in money transmission on behalf of and under a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(b) The exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent;

(14) A person appointed as an agent of a payor for purposes of providing payroll processing services for which the agent would otherwise need to be licensed, provided all of the following apply:

(a) There is a written agreement between the payor and the agent that directs the agent to provide payroll processing services on the payor's behalf;

(b) The payor holds the agent out to employees and other payees as providing payroll processing services on the payor's behalf;

(c) The payor's obligation to a payee, including an employee or any other party entitled to receive funds via the payroll processing services provided by the agent, shall not be extinguished if the agent fails to remit the funds to the payee.

362.020. 1. The articles of agreement mentioned in this chapter shall set out:

3 (1) The corporate name of the proposed corporation.
4 The corporate name shall not be a name, or an imitation of a
5 name, used within the preceding fifty years as a corporate
6 title of a bank or trust company incorporated in this state;

7 (2) The name of the city or town and county in this
8 state in which the corporation is to be located;

9 (3) The amount of the capital stock of the
10 corporation, the number of shares into which it is divided,
11 and the par value thereof; that the same has been subscribed
12 in good faith and all thereof actually paid up in lawful
13 money of the United States and is in the custody of the
14 persons named as the first board of directors or managers;

15 (4) The names and places of residences of the several
16 shareholders and number of shares subscribed by each;

17 (5) The number and the names of the first directors;

18 (6) The purposes for which the corporation is formed;

19 (7) Any provisions relating to the preemptive rights
20 of a shareholder as provided in section 351.305.

21 The articles of agreement may provide for the issuance of
22 additional shares of capital stock or other classes of stock
23 pursuant to the same procedures and conditions as provided
24 under section 351.180, provided that such terms and
25 procedures are acceptable to the director of finance and,
26 provided that any notice or other approval required to be
27 given or obtained from the state of Missouri shall be given
28 or obtained from the director of the division of finance.

29 2. The articles of agreement may designate the number
30 of directors necessary to constitute a quorum, and may
31 provide for the number of years the corporation is to
32 continue, or may provide that the existence of the
33 corporation shall continue until the corporation shall be
34 dissolved by consent of the stockholders or by proceedings

35 instituted by the state under any statute now in force or
36 hereafter enacted.

362.247. 1. A majority of the full board of directors
2 shall constitute a quorum for the transaction of business
3 unless another number is required by the articles of
4 agreement, the bylaws or by law. The act of a majority of
5 the directors present at a meeting at which a quorum is
6 present shall be the act of the board of directors unless
7 the act of a greater number is required by the articles of
8 agreement, the bylaws or by law.

9 2. Unless otherwise prohibited by statute or
10 [regulation,] an order or memorandum of understanding
11 entered into with the director of finance related to bank
12 safety and soundness, directors may attend board meetings by
13 telephonic conference call or video conferencing, and the
14 bank or trust company may include in a quorum directors who
15 are not physically present but are allowed to vote[,
16 provided the bank or trust company has a composite rating of
17 1 or 2 under the Uniform Financial Institutions Rating
18 System of the Federal Financial Institution Examination
19 Counsel (FFIEC)].

20 3. Any director remotely attending a board meeting via
21 telephone or video conferencing may be counted toward a
22 quorum for such meeting and, if the director is not
23 otherwise prohibited, may vote on matters before the bank or
24 trust company's board so long as the meeting minutes
25 identify the director appearing remotely and reflect that
26 the remote director:

27 (1) Received formal notice of the board meeting for
28 which he or she is attending or waived such notice as
29 otherwise provided by law;

30 (2) Received the board meeting information required
31 for each board of director's meeting as provided by section
32 362.275;

33 (3) Was alone when participating in such board meeting
34 or was in the physical presence of no one not a director of
35 such bank or trust company; and

36 (4) Was able to clearly hear such board meeting
37 discussion from its beginning to end.

38 4. The director of the division of finance may
39 promulgate additional regulations, reasonable in scope, to
40 provide for the integrity of the board of directors'
41 operations when directors attend board meetings remotely,
42 the safety and soundness of the bank or trust company's
43 operation, and the bank or trust company's interest in
44 minimizing the cost of compliance with such regulation.

362.275. 1. The board of directors of every bank and
2 trust company organized or doing business pursuant to this
3 chapter shall hold a regular meeting at least once each
4 month, or, upon application to and acceptance by the
5 director of finance, at such other times, not less
6 frequently than once each calendar quarter as the director
7 of finance shall approve, which approval may be rescinded at
8 any time. There shall be submitted to the meeting a list
9 giving the aggregate of loans, discounts, acceptances and
10 advances, including overdrafts, to each individual,
11 partnership, corporation or person whose liability to the
12 bank or trust company has been created, extended, renewed or
13 increased since the cut-off date prior to the regular
14 meeting by more than an amount to be determined by the board
15 of directors, which minimum amount shall not exceed five
16 percent of the bank's legal loan limit, except the minimum
17 amount shall in no case be less than ten thousand dollars; a
18 second list of the aggregate indebtedness of each borrower

19 whose aggregate indebtedness exceeds five times such minimum
20 amount, except the aggregate indebtedness shall in no case
21 be less than fifty thousand dollars; and a third list
22 showing all paper past due thirty days or more or
23 alternatively, the third list shall report the total past-
24 due ratio for loans thirty days or more past due, nonaccrual
25 loans divided by total loans, and a listing of past-due
26 loans in excess of the minimum amount to be determined by
27 the board of directors, which minimum amount shall not
28 exceed five percent of the bank's legal loan limit, except
29 the minimum amount shall in no case be less than ten
30 thousand dollars[; and a fourth list showing the aggregate
31 of the then-existing indebtedness and liability to the bank
32 or trust company of each of the directors, officers, and
33 employees thereof]. The information called for in the
34 second[,] and third[, and fourth] lists shall be submitted
35 as of the date of the regular meeting or as of a reasonable
36 date prior thereto. No bills payable shall be made, and no
37 bills shall be rediscounted by the bank or trust company
38 except with the consent or ratification of the board of
39 directors; provided, however, that if the bank or trust
40 company is a member of the federal reserve system,
41 rediscounts may be made to it by the officers in accordance
42 with its rules, a list of all rediscounts to be submitted to
43 the next regular meeting of the board. The director of
44 finance may require, by order, that the board of directors
45 of a bank or trust company approve or disapprove every
46 purchase or sale of securities and every discount, loan,
47 acceptance, renewal or other advance including every
48 overdraft over an amount to be specified in the director's
49 order and may also require that the board of directors
50 review, at each monthly meeting, a list of the aggregate
51 indebtedness of each borrower whose aggregate indebtedness

exceeds an amount to be specified in the director's order. The minutes of the meeting shall indicate the compliance with the requirements of this section. Furthermore, the debtor's identity on the information required in this subsection may be masked by code to conceal the actual debtor's identity only for information mailed to or otherwise provided directors who are not physically present at the board meeting. The code used shall be revealed to all directors at the beginning of each board meeting for which this procedure is used.

2. For any issue in need of immediate action, the board of directors or the executive committee of the board as defined in section 362.253 may enter into a unanimous consent agreement as permitted by subsection 2 of section 351.340. Such consent may be communicated by facsimile transmission or by other authenticated record, separately by each director, provided each consent is signed by the director and the bank has no indication such signature is not the director's valid consent. When the bank or trust company has received unanimous consent from the board or executive committee, the action voted on shall be considered approved.

362.295. 1. Within ten days after service upon it of the notice provided for by section 361.130, every bank and trust company shall make a written report to the director, which report shall be in the form and shall contain the matters prescribed by the director and shall specifically state the items of capital, deposits, specie and cash items, public securities and private securities, real estate and real estate securities, and such other items as may be necessary to inform the public as to the financial condition and solvency of the bank or trust company, or which the director may deem proper to include therein. In lieu of

12 requiring direct filing of reports of condition, the
13 director may accept reports of condition or their equivalent
14 as filed with federal regulatory agencies and may require
15 verification and the filing of supplemental information as
16 the director deems necessary.

17 2. Every report shall be verified by the oaths of the
18 president or vice president and cashier or secretary or
19 assistant cashier or assistant secretary, and the
20 verification shall state that the report is true and correct
21 in all respects to the best of the knowledge and belief of
22 the persons verifying it, and the report shall be attested
23 by three directors, and shall be a report of the actual
24 condition of the bank or trust company at the close of
25 business on the day designated and which day shall be prior
26 to the call. If the director of finance obtains the data
27 pursuant to subsection 3 of section 361.130, the director
28 may rely on the verification provided to the federal
29 regulatory agency.

30 3. [Every report, exclusive of the verification,
31 shall, within thirty days after it shall have been filed
32 with the director, be published by the bank or trust company
33 in one newspaper of the place where its place of business is
34 located, or if no newspaper is published there, in a
35 newspaper of general circulation in the town and community
36 in which the bank or trust company is located; the newspaper
37 to be designated by the board of directors and a copy of the
38 publication, with the affidavit of the publisher thereto,
39 shall be attached to the report; provided, if the bank or
40 trust company is located in a town or city having a
41 population exceeding ten thousand inhabitants, then the
42 publication must be in a daily newspaper, if published in
43 that city; but if the bank or trust company is located in a
44 town or city having a population of ten thousand inhabitants

45 or less, then the publication may be in either a daily or
46 weekly newspaper published in the town or city as aforesaid;
47 and in all cases a copy of the statement shall be posted in
48 the banking house accessible to all.

49 [4.] The bank and trust company shall also make such
50 other special reports to the director as he may from time to
51 time require, in such form and at such date as may be
52 prescribed by him, and the report shall, if required by him,
53 be verified in such manner as he may prescribe.

54 [5.] 4. If the bank or trust company shall fail to
55 make any report required by this section on or before the
56 day designated for the making thereof, or shall fail to
57 include therein any matter required by the director, the
58 bank or trust company shall forfeit to the state the sum of
59 one hundred dollars for every day that the report shall be
60 delayed or withheld, and for every day that it shall fail to
61 report any omitted matter, unless the time therefor shall
62 have been extended by the director. Should any president,
63 cashier or secretary of the bank or trust company or any
64 director thereof fail to make the statement so required of
65 him or them, or willfully and corruptly make a false
66 statement, he or they, and each of them, shall be deemed
67 guilty of a misdemeanor, and, upon conviction thereof, upon
68 information, punished by a fine for each offense not
69 exceeding five hundred dollars and not less than one hundred
70 dollars, or by imprisonment not less than one or more than
71 twelve months in the city or county jail, or by both such
72 fine and imprisonment.

73 [6.] 5. A bank or trust company [may provide each
74 written] shall provide a paper or electronic copy of any
75 regular periodic report required to be [published free of
76 charge to the public; and when each bank or trust company
77 notifies their customers that such information is available;

78 and when one copy of such information is available] filed
79 under section 361.130 to each [person] customer that
80 requests it[, the newspaper publication provisions of this
81 section shall not be enforced against such bank or trust
82 company].

362.424. 1. For purposes of this section, the
2 following terms mean:

3 (1) "Bank", includes any state or federally chartered
4 bank, savings bank, or savings and loan association
5 providing banking services to customers;

6 (2) "Trusted contact", any adult person designated by
7 a bank customer that a bank may contact in the event of an
8 emergency or loss of contact with the customer, or suspected
9 third-party fraud or financial exploitation targeting the
10 customer.

11 2. Notwithstanding any other provision of law to the
12 contrary, any bank may report suspected fraudulent activity
13 or financial exploitation targeting any of its customers to
14 a federal, state, county, or municipal law enforcement
15 agency or any appropriate public protective agency and shall
16 be immune from civil liability in doing so.

17 3. Notwithstanding any other provision of law to the
18 contrary, any bank, on a voluntary basis, may offer a
19 trusted contact program to customers who may designate one
20 or more trusted contacts for the bank to contact in the
21 event a customer is not responsive to bank communications,
22 the bank is presented with an urgent matter or emergency
23 involving the customer and the bank is unable to locate the
24 customer, or the bank suspects fraudulent activity or
25 financial exploitation targeting the customer or the account
26 has been deemed dormant and the bank is attempting to verify
27 the status and location of the customer. The bank may
28 establish such procedures, requirements, and forms as it

29 deems appropriate and necessary should the bank decide to
30 implement a trusted contact program.

31 4. Notwithstanding any other provision of law to the
32 contrary, any bank may voluntarily offer customers an
33 account with convenience and security features that set
34 transaction limits and permit limited access to view account
35 activity for one or more trusted contacts designated by the
36 customer.

37 5. No bank shall be liable for the actions of a
38 trusted contact.

39 6. No bank shall be liable for declining to interact
40 with a trusted contact when the bank, in good faith and
41 exercising reasonable care, determines that a trusted
42 contact is not acting in the best interests of the customer.

43 7. A person designated by a customer as a trusted
44 contact who acts in good faith and exercises reasonable care
45 shall be immune from liability.

46 8. A customer may withdraw any appointment of a person
47 as a trusted contact at any time and any trusted contact may
48 withdraw from status as a trusted contact at any time. The
49 bank may require such documentation or verification as it
50 deems necessary to establish the withdrawal or termination
51 of a trusted contact.

52 9. No bank shall be civilly liable for implementing or
53 not implementing or for actions or omissions related to
54 providing or administering a trusted contact program.

362.490. 1. Notwithstanding any provision of law of
2 this state or of any political subdivision thereof requiring
3 security for deposits in the form of collateral, surety bond
4 or in any other form, security for such deposits shall not
5 be required to the extent said deposits are insured under
6 the provisions of an act of congress creating and
7 establishing the Federal Deposit Insurance Corporation or

8 similar agency created and established by the Congress of
9 the United States.

10 2. (1) As an alternative to the requirements for
11 direct pledging of security for deposit of public funds in
12 excess of the amount that is federally insured or guaranteed
13 pursuant to sections 110.010, 110.020, and 110.060, a
14 banking institution authorized as legal depository for
15 public funds may secure the deposits of any governmental
16 entity by granting a security interest in a single pool of
17 securities to secure the repayment of all public funds
18 deposited in the banking institution by such governmental
19 entities and not otherwise federally insured or secured
20 pursuant to law.

21 (2) A banking institution may secure the deposit of
22 public funds using the direct method as provided in chapter
23 110, or the single bank pooled method provided in this
24 section, or may elect to offer government entities the
25 choice of either method to secure the deposit of public
26 funds.

27 (3) Under the direct method a banking institution may
28 secure the deposit of public funds of each government entity
29 separately by furnishing securities pursuant to sections
30 110.010, 110.020, and 110.060.

31 (4) Under the single bank pooled method a banking
32 institution may secure the deposit of public funds of one or
33 more government entities through a pool of eligible
34 securities held in custody and safekeeping with one or more
35 other banking institutions or safe depositories, to be held
36 subject to the order of the director of the division of
37 finance or the administrator appointed pursuant to
38 subsection 3 of this section for the benefit of the
39 government entities having public funds deposited with such
40 banking institution as set forth in this section.

41 3. (1) The director of the division of finance shall
42 have exclusive authority to appoint a bank, trust company,
43 or association for Missouri banks which is chartered or
44 incorporated in Missouri, to serve as the administrator with
45 respect to a single bank pooled method. The administrator
46 shall act as an agent for banking institutions and as the
47 nominee of the government entities for purposes of
48 administering the pool of securities pledged to secure
49 uninsured public fund deposits. The fees and expenses of
50 such administrator shall be paid by the banking institutions
51 utilizing the single bank pooled method. The single bank
52 pooled method shall not be utilized by any banking
53 institution unless an administrator has been appointed by
54 the director pursuant to this section and is acting as the
55 administrator. The director may require the administrator
56 to post a surety bond or security to the director in an
57 amount up to one hundred thousand dollars to assure the
58 faithful performance of the duties of the administrator.

59 (2) At all times the aggregate market value of the
60 pool of securities so deposited, pledged, or in which a
61 security interest is granted shall be at least equal to one
62 hundred two percent of the amount on deposit which is in
63 excess of the amount so insured.

64 (3) Each banking institution shall carry on its
65 accounting records at all times a general ledger or other
66 appropriate account of the total amount of all public funds
67 to be secured by the pool of securities as determined at the
68 opening of business each day, and the aggregate market value
69 of the pool of securities pledged, or in which a security
70 interest is granted to secure such public funds.

71 (4) If a banking institution elects to secure the
72 deposit of public funds through the use of the single bank
73 pooled method, such banking institution shall notify the

74 administrator in writing that it has elected to utilize the
75 single bank pooled method and the proposed effective date
76 thereof and enter such agreement as the administrator may
77 require.

78 (5) A banking institution may not retain any deposit
79 of public funds which is required to be secured unless it
80 has secured the deposits for the benefit of the government
81 entities having public funds with such banking institution
82 pursuant to this section.

83 (6) Only the securities and collateral described or
84 listed pursuant to section 30.270 for the safekeeping and
85 payment of deposits by the state treasurer may be provided
86 and accepted as security for the deposit of public funds and
87 shall be eligible as collateral. The administrator shall
88 not accept any securities which are not described or listed
89 pursuant to section 30.270.

90 (7) The administrator may establish such procedures
91 and reporting requirements as necessary for depository
92 banking institutions and their safekeeping banks or
93 depositories to confirm the amount of insured public fund
94 deposits, the pledge of securities to the administrator to
95 secure the deposit of public funds, as agent for each
96 participating banking institution, and to monitor the market
97 value of pledged securities as reported by the custody
98 agents, and to add, substitute, or remove securities held in
99 the single bank pool as directed by the depository banking
100 institution.

101 (8) In the event of the failure and insolvency of a
102 banking institution using the single bank pooled method,
103 subject to any order of the director pursuant to powers
104 vested under chapter 361, the administrator shall direct the
105 safekeeping banks or depositories to sell the pledged
106 securities and direct proceeds to the payment of the

107 uninsured public fund deposits or to transfer the pledged
108 securities to that banking institution's primary supervisory
109 agency or the duly appointed receiver for the banking
110 institution to be liquidated to pay out the uninsured public
111 fund deposits.

370.245. 1. For purposes of this section, the
2 following terms mean:

3 (1) "Credit union", any state or federally chartered
4 credit union providing financial services to members;

5 (2) "Trusted contact", any adult person designated by
6 a credit union member that a credit union may contact in the
7 event of an emergency or loss of contact with the member, or
8 suspected third party fraud or financial exploitation
9 targeting the member.

10 2. Notwithstanding any other provision of law to the
11 contrary, any credit union may report suspected fraudulent
12 activity or financial exploitation targeting any of its
13 members to a federal, state, county, or municipal law
14 enforcement agency or any appropriate public protective
15 agency and shall be immune from civil liability in doing so.

16 3. Notwithstanding any other provision of law to the
17 contrary, any credit union, on a voluntary basis, may offer
18 a trusted contact program to members who may designate one
19 or more trusted contacts for the credit union to contact in
20 the event a member is not responsive to credit union
21 communications, the credit union is presented with an urgent
22 matter or emergency involving the member and the credit
23 union is unable to locate the member, or the credit union
24 suspects fraudulent activity or financial exploitation
25 targeting the member or the account has been deemed dormant
26 and the credit union is attempting to verify the status and
27 location of the member. The credit union may establish such
28 procedures, requirements, and forms as it deems appropriate

29 and necessary should the credit union opt to implement a
30 trusted contact program.

31 4. Notwithstanding any other provision of law to the
32 contrary, any credit union may voluntarily offer members an
33 account with convenience and security features that set
34 transaction limits and permit limited access to view account
35 activity for one or more trusted contacts designated by the
36 member.

37 5. No credit union shall be liable for the actions of
38 a trusted contact.

39 6. No credit union shall be liable for declining to
40 interact with a trusted contact when the credit union, in
41 good faith and exercising reasonable care, determines that a
42 trusted contact is not acting in the best interests of the
43 member.

44 7. A person designated by a member as a trusted
45 contact who acts in good faith and exercises reasonable care
46 shall be immune from liability.

47 8. A member may withdraw any appointment of a person
48 as a trusted contact at any time and any trusted contact may
49 withdraw from status as a trusted contact at any time. The
50 credit union may require such documentation or verification
51 as it deems necessary to establish the withdrawal or
52 termination of a trusted contact.

53 9. No credit union shall be civilly liable for
54 implementing or not implementing or for actions or omissions
55 related to providing or administering a trusted contact
56 program.

381.410. As used in this section and section 381.412,
2 the following terms mean:

3 (1) "Cashier's check", a check, however labeled, drawn
4 on the financial institution, which is signed only by an
5 officer or employee of such institution, is a direct

6 obligation of such institution, and is provided to a
7 customer of such institution or acquired from such
8 institution for remittance purposes;

9 (2) "Certified funds", United States currency, funds
10 conveyed by a cashier's check, certified check, or teller's
11 check, as defined in Federal Reserve Regulations CC, or
12 funds conveyed by wire transfers[, including]
13 unconditionally received by the settlement agent or the
14 agent's depository, or funds conveyed by a real-time payment
15 system, including, but not limited to, RTP and Fed Now, for
16 which a settlement agent receives written advice from a
17 financial institution that collected funds have been
18 credited to the settlement agent's account;

19 (3) "Director", the director of the department of
20 commerce and insurance, unless the settlement agent's
21 primary regulator is another department. When the
22 settlement agent is regulated by such department, that
23 department shall have jurisdiction over this section and
24 section 381.412;

25 (4) "Financial institution":

26 (a) A person or entity doing business under the laws
27 of this state or the United States relating to banks, trust
28 companies, savings and loan associations, credit unions,
29 commercial and consumer finance companies, industrial loan
30 companies, insurance companies, small business investment
31 corporations licensed under the Small Business Investment
32 Act of 1958, 15 U.S.C. Section 661, et seq., as amended, or
33 real estate investment trusts as defined in 26 U.S.C.
34 Section 856, as amended, or institutions constituting the
35 Farm Credit System under the Farm Credit Act of 1971, 12
36 U.S.C. Section 2000, et seq., as amended; or

37 (b) A mortgage loan company or mortgage banker doing
38 business under the laws of this state or the United States

39 which is subject to licensing, supervision, or auditing by
40 the Federal National Mortgage Association, or the Federal
41 Home Loan Mortgage Corporation, or the United States
42 Veterans' Administration, or the Government National
43 Mortgage Association, or the United States Department of
44 Housing and Urban Development, or a successor of any of the
45 foregoing agencies or entities, as an approved seller or
46 servicer, if their principal place of business is in
47 Missouri or a state which is contiguous to Missouri;

48 (5) "Settlement agent", a person, corporation,
49 partnership, or other business organization which accepts
50 funds and documents as fiduciary for the buyer, seller or
51 lender for the purposes of closing a sale of an interest in
52 real estate located within the state of Missouri, and is not
53 a financial institution, or a member in good standing of the
54 Missouri Bar, or a person licensed under chapter 339.

427.300. 1. This section shall be known and may be
2 cited as the "Commercial Financing Disclosure Law".

3 2. For purposes of this section, the following terms
4 mean:

5 (1) "Account";

6 (a) Includes:

7 a. A right to payment of a monetary obligation,
8 regardless of whether earned by performance, for one of the
9 following:

10 (i) Property that has been or is to be sold, leased,
11 licensed, assigned, or otherwise disposed of;

12 (ii) Services rendered or to be rendered;

13 (iii) A policy of insurance issued or to be issued;

14 (iv) A secondary obligation incurred or to be incurred;

15 (v) Energy provided or to be provided;

16 (vi) The use or hire of a vessel under a charter or
17 other contract;

(vii) Arising out of the use of a credit or charge card or information contained on or for use with the card; or

(viii) As winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state; and

b. Health-care-insurance receivables; and

(b) Does not include:

a. Rights to payment evidenced by chattel paper or an instrument;

b. Commercial tort claims;

c. Deposit accounts;

d. Investment property;

e. Letter-of-credit rights or letters of credit; or

f. Rights to payment for moneys or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card;

(2) "Accounts receivable purchase transaction", any transaction in which the business forwards or otherwise sells to the provider all or a portion of the business's accounts or payment intangibles at a discount to their expected value. The provider's characterization of an accounts receivable purchase transaction as a purchase is conclusive that the accounts receivable purchase transaction is not a loan or a transaction for the use, forbearance, or detention of money;

(3) "Broker", any person who, for compensation or the expectation of compensation, obtains a commercial financing transaction or an offer for a commercial financing transaction from a third party that would, if executed, be binding upon that third party and communicates that offer to a business located in this state. The term broker excludes

a provider, or any individual or entity whose compensation is not based or dependent on the terms of the specific commercial financing transaction obtained or offered;

(4) "Business", an individual or group of individuals, sole proprietorship, corporation, limited liability company, trust, estate, cooperative, association, or limited or general partnership engaged in a business activity;

(5) "Business purpose transaction", any transaction where the proceeds are provided to a business or are intended to be used to carry on a business and not for personal, family, or household purposes. For purposes of determining whether a transaction is a business purpose transaction, the provider may rely on any written statement of intended purpose signed by the business. The statement may be a separate statement or may be contained in an application, agreement, or other document signed by the business or the business owner or owners;

(6) "Commercial financing facility", a provider's plan for purchasing multiple accounts receivable from the recipient over a period of time pursuant to an agreement that sets forth the terms and conditions governing the use of the facility;

(7) "Commercial financing transaction", any commercial loan, accounts receivable purchase transaction, commercial open-end credit plan or each to the extent the transaction is a business purpose transaction;

(8) "Commercial loan", a loan to a business, whether secured or unsecured;

(9) "Commercial open-end credit plan", commercial financing extended by any provider under a plan in which:

(a) The provider reasonably contemplates repeat transactions; and

(b) The amount of financing that may be extended to the business during the term of the plan, up to any limit set by the provider, is generally made available to the extent that any outstanding balance is repaid;

(10) "Depository institution", any of the following:

(a) A bank, trust company, or industrial loan company doing business under the authority of, or in accordance with, a license, certificate, or charter issued by the United States, this state, or any other state, district, territory, or commonwealth of the United States that is authorized to transact business in this state;

(b) A federally chartered savings and loan association, federal savings bank, or federal credit union that is authorized to transact business in this state; or

(c) A savings and loan association, savings bank, or credit union organized under the laws of this or any other state that is authorized to transact business in this state;

(11) "General intangible", any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. General intangible also includes payment intangibles and software;

(12) "Payment intangible", a general intangible under which the account debtor's principal obligation is a monetary obligation;

(13) "Provider", a person who consummates more than five commercial financing transactions to a business located in this state in any calendar year. Provider also includes a person that enters into a written agreement with a depository institution to arrange for the extension of a commercial financing transaction by the depository

institution to a business via an online lending platform administered by the person. The fact that a provider extends a specific offer for a commercial financing transaction on behalf of a depository institution shall not be construed to mean that the provider engaged in lending or financing or originated that loan or financing.

3. (1) A provider that consummates a commercial financing transaction shall disclose the terms of the commercial financing transaction as required by this section. The disclosures shall be provided at or before consummation of the transaction. Only one disclosure is required for each commercial financing transaction, and a disclosure is not required as a result of the modification, forbearance, or change to a consummated commercial financing transaction.

(2) A provider shall disclose the following in connection with each commercial financing transaction:

(a) The total amount of funds provided to the business under the terms of the commercial financing transaction agreement. This disclosure shall be labeled "Total Amount of Funds Provided";

(b) The total amount of funds disbursed to the business under the terms of the commercial financing transaction, if less than the total amount of funds provided, as a result of any fees deducted or withheld at disbursement and any amount paid to a third party on behalf of the business. This disclosure shall be labeled "Total Amount of Funds Disbursed";

(c) The total amount to be paid to the provider pursuant to the commercial financing transaction agreement. This disclosure shall be labeled "Total of Payments";

(d) The total dollar cost of the commercial financing transaction under the terms of the agreement, derived by

149 subtracting the total amount of funds provided from the
150 total of payments. This calculation shall include any fees
151 or charges deducted by the provider from the "Total Amount
152 of Funds Provided". This disclosure shall be labeled "Total
153 Dollar Cost of Financing";

154 (e) The manner, frequency, and amount of each
155 payment. This disclosure shall be labeled "Payments". If
156 the payments may vary, the provider shall instead disclose
157 the manner, frequency, and the estimated amount of the
158 initial payment labeled "Estimated Payments" and the
159 commercial financing transaction agreement shall include a
160 description of the methodology for calculating any variable
161 payment and the circumstances when payments may vary;

162 (f) A statement of whether there are any costs or
163 discounts associated with prepayment of the commercial
164 financing product including a reference to the paragraph in
165 the agreement that creates the contractual rights of the
166 parties related to prepayment. This disclosure shall be
167 labeled "Prepayment"; and

168 (3) A provider that consummates a commercial financing
169 facility may provide disclosures of this subsection which
170 are based on an example of a transaction that could occur
171 under the agreement. The example shall be based on an
172 accounts receivable total face amount owed of ten thousand
173 dollars. Only one disclosure is required for each
174 commercial financing facility, and a disclosure is not
175 required as result of a modification, forbearance, or change
176 to the facility. A new disclosure is not required each time
177 accounts receivable are purchased under the facility.

178 4. The provisions of this section shall not apply to
179 the following:

180 (1) A provider that is a depository institution or a
181 subsidiary or affiliate;

182 (2) A provider that is a service corporation to a
183 depository institution that is:

184 (a) Owned and controlled by a depository institution;
185 and

186 (b) Regulated by a federal banking agency;

187 (3) A provider that is a lender regulated under the
188 federal Farm Credit Act, 12 U.S.C. Section 2001, et seq.;

189 (4) A commercial financing transaction that is:

190 (a) Secured by real property;

191 (b) A lease; or

192 (c) A purchase money obligation that is incurred as
193 all or part of the price of the collateral or for value
194 given to enable the business to acquire rights in or the use
195 of the collateral if the value is in fact so used;

196 (5) A commercial financing transaction in which the
197 recipient is a motor vehicle dealer or an affiliate of such
198 a dealer, or a vehicle rental company, or an affiliate of
199 such a company, pursuant to a commercial loan or commercial
200 open-end credit plan of at least fifty thousand dollars or a
201 commercial financing transaction offered by a person in
202 connection with the sale or lease of products or services
203 that such person manufactures, licenses, or distributes, or
204 whose parent company or any of its directly or indirectly
205 owned and controlled subsidiaries manufactures, licenses, or
206 distributes;

207 (6) A commercial financing transaction that is a
208 factoring transaction, purchase, sale, advance, or similar
209 of accounts receivable owed to a health care provider
210 because of a patient's personal injury treated by the health
211 care provider;

212 (7) A provider that is licensed as a money transmitter
213 in accordance with a license, certificate, or charter issued

by this state or any other state, district, territory, or commonwealth of the United States;

(8) A provider that consummates no more than five commercial financing transactions in this state in a twelve-month period; **[or]**

(9) A commercial financing transaction of more than five hundred thousand dollars; or

(10) A commercial financing product that is a premium finance agreement, as defined in subdivision (3) of section 364.100, offered or entered into by a provider that is a registered premium finance company.

5. (1) No person shall engage in business as a broker within this state for compensation, unless prior to conducting such business, the person has filed a registration with the division of finance within the department of commerce and insurance and has on file a good and sufficient bond as specified in this subsection. The registration shall be effective upon receipt by the division of finance of a completed registration form and the required registration fee, and shall remain effective until the time of renewal.

(2) After filing an initial registration form, a broker shall file, on or before January thirty-first of each year, a renewal registration form along with the required renewal registration fee.

(3) The broker shall pay a one-hundred-dollar registration fee upon the filing of an initial registration and a fifty-dollar renewal registration fee upon the filing of a renewal registration.

(4) The registration form required by this subsection shall include the following:

(a) The name of the broker;

246 (b) The name in which the broker is transacted if
247 different from that stated in paragraph (a) of this
248 subdivision;

249 (c) The address of the broker's principal office,
250 which may be outside this state;

251 (d) Whether any officer, director, manager, operator,
252 or principal of the broker has been convicted of a felony
253 involving an act of fraud, dishonesty, breach of trust, or
254 money laundering; and

255 (e) The name and address in this state of a designated
256 agent upon whom service of process may be made.

257 (5) If information in a registration form changes or
258 otherwise becomes inaccurate after filing, the broker shall
259 not be required to file a further registration form prior to
260 the time of renewal.

261 (6) Every broker shall obtain a surety bond issued by
262 a surety company authorized to do business in this state.
263 The amount of the bond shall be ten thousand dollars. The
264 bond shall be in favor of the state of Missouri. Any person
265 damaged by the broker's breach of contract or of any
266 obligation arising therefrom, or by any violation of this
267 section, may bring an action against the bond to recover
268 damages suffered. The aggregate liability of the surety
269 shall be only for actual damages and in no event shall
270 exceed the amount of the bond.

271 (7) Employees regularly employed by a broker who has
272 complied with this subsection shall not be required to file
273 a registration or obtain a surety bond when acting within
274 the scope of their employment for the broker.

275 6. (1) Any person who violates any provision of this
276 section shall be punished by a fine of five hundred dollars
277 per incident, not to exceed twenty thousand dollars, for all
278 aggregated violations arising from the use of the

transaction documentation or materials found to be in violation of this section. Any person who violates any provision of this section after receiving written notice of a prior violation from the attorney general shall be punished by a fine of one thousand dollars per incident, not to exceed fifty thousand dollars, for all aggregated violations arising from the use of the transaction documentation or materials found to be in violation of this section.

(2) Violation of any provision of this section shall not affect the enforceability or validity of the underlying agreement.

(3) This section shall not create a private right of action against any person or other entity based upon compliance or noncompliance with its provisions.

(4) Authority to enforce compliance with this section is vested exclusively in the attorney general of this state.

7. The requirements of subsections 3 and 5 of this section shall take effect upon either:

(1) Six months after the division of finance finalizes promulgating rules, if the division intends to promulgate rules; or

(2) February 28, 2025, if the division does not intend to promulgate rules.

8. The division of finance may promulgate rules implementing this section. If the division of finance intends to promulgate rules, it shall declare its intent to do so no later than February 28, 2025. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536

are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

[447.200. 1. If any consumer deposit account with a banking organization or financial organization, as such terms are defined in and under section 447.503, is determined to be or to have been inactive for a period of twelve or more months and if inactivity fees apply to such account, such banking organization, bank or financial organization shall notify the person or depositor named on such inactive account of such inactivity . Notice may be delivered by first class mail, with postage prepaid, and marked "Address Correction Requested", or alternatively, the notice may be sent or delivered electronically if the consumer has consented to receiving electronic disclosures in accordance with the federal Truth in Savings Act, 12 U.S.C. Sections 4301 to 4313, and the regulations promulgated pursuant thereto.

2. Notwithstanding any provision of law to the contrary, for any consumer deposit account with a banking organization, bank or financial organization that is or that has been inactive for twelve months or more, such bank or financial organization shall issue annual statements to the person or depositor named on the account. The organization or a bank may charge a service fee of up to five dollars for any statement issued under this subsection, provided that such fee shall be withdrawn from the inactive account.

3. If any consumer deposit account with a banking organization, bank or financial organization is determined to be or to have been inactive for a period of five years, the funds from such account shall be remitted to the abandoned fund account established under section 447.543.

38 4. For purposes of this section, the word
39 "inactive" means a prescribed period during
40 which there is no activity or contact initiated
41 by the person or depositor named on the account,
42 which results in an inactivity fee or fees being
43 charged to the account.]