

SCS SB 243 -- LENDING INSTITUTION SERVICES

SPONSOR: Pearce (Jones, 89)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 11 to 0.

This substitute allows lending institutions to sell deficiency waiver addendums, guaranteed asset protections, or similar products purchased as part of a loan transaction with collateral at the borrower's option if the cost of the product is disclosed in the loan contract.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill allows purchasers the option to insure their car or other asset in case of damage. Insurance will generally pay the difference in the value of the asset and the outstanding balance if the asset is damaged or destroyed. Banks should be able to sell and finance insurance policies in the same manner as insurance companies and auto dealers.

Testifying for the bill were Senator Pearce; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.