

HCS HB 1400 -- FINANCIAL TRANSACTIONS

SPONSOR: Wells (Richardson)

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 8 to 0.

This substitute changes the laws regarding financial transactions including the investment of certain public funds, the perfection of security interests, and residential mortgage loan brokers.

INVESTMENT OF CERTAIN PUBLIC FUNDS

Currently, political subdivisions and public entities can invest funds not immediately needed in certificates of deposit. The substitute revises the provisions regarding the investment options available by removing certificates of deposit and replacing it with deposit account.

PERFECTION OF SECURITY INTERESTS

The substitute specifies that the filing of a financing statement is necessary to perfect a security interest in collateral that is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind.

RESIDENTIAL MORTGAGE LOAN BROKERS

A mortgage broker making loans on manufactured or modular homes is allowed to charge, require, or receive points or other fees except insurance on any residential real estate loan.

A residential mortgage loan broker engaged primarily in the business of brokering, funding, or purchasing loans that are secured by a manufactured or modular home is allowed 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 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.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill will allow political subdivisions to invest funds in different deposit accounts allowing more options. This will give banks more available moneys to loan out to local communities.

Testifying for the bill were Representative Richardson; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.