

SS SCS HCS HB 1400 -- FINANCIAL TRANSACTIONS

This bill changes the laws regarding the investment of certain public funds, Division of Finance examinations, the perfection of security interests, and residential mortgage loan brokers.

INVESTMENT OF CERTAIN PUBLIC FUNDS (Section 67.085, RSMo)

Currently, political subdivisions and public entities can invest funds not immediately needed in certificates of deposit. The bill revises the investment options available by removing the term "certificates of deposit" and replacing it with the term "deposit accounts."

DIVISION OF FINANCE EXAMINATIONS (Sections 361.070 and 361.080)

The Director of the Division of Finance within the Department of Insurance, Financial Institutions and Professional Registration must establish an internal policy to ensure the professional conduct of division employees who participate in an examination or who may be called upon to make an official decision or determination about the operation of any person or entity under the division director's jurisdiction. The policy must address matters deemed appropriate by the division director including procedures to address and mitigate the conflict of interest presented by offers of employment or negotiations regarding employment between a division employee and any person or entity under the division director's jurisdiction.

The disclosure of facts and information obtained in the course of the division's examinations and investigations when undergoing a state audit is allowed when the division director has entered into an agreement of confidentiality with the State Auditor. The agreement must include provisions for the redaction of records to remove protected information, including nonpublic personal or proprietary commercial and financial information, trade secrets, information that could prejudice the effective performance or security of the division, information protected under any recognized privilege, and identifying bank information, from disclosure.

PERFECTION OF SECURITY INTERESTS (Section 400.9-311)

Currently, a person in the business of selling or leasing goods is not required to file a financing statement on property held as inventory to perfect a security interest in the property. The bill requires a person in the business of leasing goods to file the statement.

RESIDENTIAL MORTGAGE LOAN BROKERS (Section 408.052)

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

The bill contains an emergency clause.