

HCS HBs 928 & 927 -- FINANCIAL INSTITUTIONS (Thompson)

This bill modifies numerous provisions relating to financial institutions.

GOVERNMENT LENDING TRANSPARENCY ACT (Sections 29.420 and 37.850, RSMo)

The bill defines the terms "credit support program" and "lending program" and requires the State Auditor to report on all state lending programs and credit support programs at the end of each fiscal year. The State Auditor will also be required to compile the total dollar amount of all state lending programs as well as the total amount of debt supported by credit support programs. This bill also requires the State Auditor to make reasonable estimates of the costs of likely defaults on lending programs and credit support programs, using equivalent private market debts to evaluate the likelihood and costs of defaults when possible.

This bill requires all public employee retirement systems and quasi-governmental entities to report such system's or entity's employees' salaries and any incentive pay to the Missouri government accountability portal in the same manner as all state departments and agencies report, excluding any retiree pension information.

These provisions are similar to the perfected version of HB 29 (2021).

STATE BANKING AND SAVINGS AND LOAN BOARD (Section 361.097)

Currently, two members of the State Banking and Savings and Loan Board are required to have at least five years of active bank management experience. This bill requires at least three members to have at least five years of active bank or association management experience in institutions chartered under state law.

ELECTRONIC POSTINGS (Section 316.110)

Currently, the Director of the Division of Finance, within the Department of Commerce and Insurance, is required to keep a bulletin board in his or her office containing various statements of information concerning corporations and persons doing business in the state. This bill repeals that requirement and requires such statements to be posted on the Division of Finance website instead, to be updated each Monday. All such statements will be public documents and at all reasonable times will be retained by the Division, open to public inspection, and available on the Division website.

BANKING REGULATIONS (Sections 362.044 to 362.765)

Currently, notice of annual or special stockholders' meetings are required to be published in written form. This bill repeals such requirement and instead permits electronic notification of such meetings.

Unless otherwise prohibited by statute or regulation, directors may attend board meetings by telephonic conference call or video conferencing, and the bank or trust company may include in a quorum directors who are not physically present but are allowed to vote, provided the bank or trust company has a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System of the Federal Financial Institution Examination Counsel (FFIEC).

Any director remotely attending a board meeting via telephone or video conferencing may be counted toward a quorum for such meeting and, provided the Director is not otherwise prohibited, may vote on the matters before the bank or trust company's board, so long as the meeting minutes identify the Director appearing remotely and the Director makes certain acknowledgments.

The Director of the Division of Finance may promulgate additional regulations, reasonable in scope, to provide for the integrity of the board of directors' operations when directors attend board meetings remotely, the safety and soundness of the bank or trust company's operation, and the bank or trust company's interest in minimizing the cost of compliance with such regulation.

Currently, the oath taken by every elected director of a bank or trust company is required to be immediately transmitted to the Director of Finance to be filed and preserved in that office. This bill repeals that requirement and requires the oath to be retained with the official records of the board of directors.

The bill requires the directors of a bank or trust company to document the amount or penal sum of employee bonds or insurance policies and file such information with the Division of Finance. The company must retain and preserve such information. Further, the Director of the Division of Finance must publish a yearly tiered schedule of the minimum levels of policy coverages.

Subject to approval by the Director of Finance, this bill permits a bank or trust company to merge with one or more of its nonbank subsidiaries or affiliates pursuant to an agreement of merger, provided that the bank or trust company is the surviving institution. The agreement merger must be presented to the Director of Finance and the Director must act upon the agreement of

merger within 30 days of the submission. The Director will consider the purpose of the transaction, its impact on the safety and soundness of the bank or trust company, and any effect on the bank or trust company's customers. The Director may deny a merger if the merger would have a negative effect in any such respect. If the agreement is declined, the bank or trust company may appeal the decision to the State Bank and Savings and Loan Board. Should the state banking and savings and loan board decision result in the approval of the agreement of merger, the board may impose such conditions and terms upon the merger as the board deems appropriate. Should an agreement of merger be approved, the Director will provide a certification for the effective date of the merger to the bank or trust company that the bank or trust company may present to the Secretary of State or other applicable state business office to demonstrate the completion of the merger. A merger authorized under this bill will not enable a bank or trust company to exercise any right, power, privilege, or benefit that the bank or trust company could not lawfully exercise immediately prior to the merger.

SAVINGS AND LOAN ASSOCIATION REGULATIONS (Section 369.049 and 369.705)

Currently, the name of every savings and loan association is required to include either the words "Savings Association" or "Savings and Loan Association." This bill removes such requirement and instead permits it. The bill further repeals the prohibition on using the following words in an association name: "National", "Federal", "United States", "Insured", "Guaranteed", "Government", and "Official."

Subject to approval by the Director of Finance, this bill permits a savings and loan institution or savings bank to merge with one or more of its nonbank subsidiaries or affiliates pursuant to an agreement of merger, provided that the savings and loan institution or savings bank is the surviving institution. The agreement merger must be presented to the Director of Finance and the Director must act upon the agreement of merger within 30 days of the submission. The Director will consider the purpose of the transaction, its impact on the safety and soundness of the savings and loan institution or savings bank, and any effect on the savings and loan institution or savings bank's customers. The Director may deny a merger if the merger would have a negative effect in any such respect. If the agreement is declined, the savings and loan institution or savings bank may appeal the decision to the State Bank and Savings and Loan Board. Should the state banking and savings and loan board decision result in the approval of the agreement of merger, the board may impose such conditions and terms upon the merger as the board deems appropriate. Should an

agreement of merger be approved, the Director will provide a certification for the effective date of the merger to the savings and loan institution or savings bank that the bank or trust company may present to the Secretary of State or other applicable state business office to demonstrate the completion of the merger. A merger authorized under this bill will not enable a savings and loan institution or savings bank to exercise any right, power, privilege, or benefit that the savings and loan institution or savings bank could not lawfully exercise immediately prior to the merger.

LENDERS OF CONSUMER CREDIT LOANS (Section 367.150)

The bill repeals a law requiring lenders of consumer credit loans to file a report with the Director of the Division of Finance detailing, among other things, the financial condition of the lender and the total aggregate number and principal amount of loans made by the lender.