

HB 221 -- Banking

Co-Sponsors: Luetkemeyer, Pearce, Parker

This bill makes several changes to the laws governing banking.
The bill:

- (1) Allows the Missouri Higher Education Loan Authority (MOHELA) to originate PLUS loans (Parent Loans for Undergraduate Students);
- (2) Allows the Division of Finance to obtain information filed with federal regulatory agencies, rather than requiring banks to file reports of condition directly with the division;
- (3) Allows the division access to the work papers used in a certified public accountant's audit of a bank;
- (4) Requires banks to get prior approval from the division when the bank seeks to purchase real property for an amount that exceeds its loan limit or when the bank seeks to purchase property from an officer, shareholder, or other person with a similar relationship to the bank;
- (5) Prohibits the division and the State Banking Board from setting conditions or requirements on deposit account fees or service charges assessed by financial institutions that are more restrictive than those allowed by federal law;
- (6) Creates the business entity "trust holding company";
- (7) Sets forth a process for establishing the entity under state law;
- (8) Clarifies that these entities will not be subject to Federal Reserve examination;
- (9) Requires any acquisition of a nondepository trust company by a trust holding company to be first approved by the division;
- (10) Allows the division to pursue joint actions and investigations of trust holding companies with other state and federal regulatory authorities;
- (11) Amends the Uniform Commercial Code so that transactions that comply with Articles 3, 4, and 9 will not be subject to any common law claims and, instead, will be subject only to statutory provisions specifically provided for in the chapter;
- (12) Clarifies that when there exists a conflict between

provisions found in Articles 3 and 4, the more specific provision governs;

(13) Amends Article 3 so that transactions that comply with the article will not be subject to common law claims, as long as the bank has acted in good faith for the benefit of the bank's customers;

(14) Amends Article 9 so that, in defaults of a secured transaction, consumer transactions are governed by the same rules as other transactions. Current law allows the court to determine appropriate rules in these consumer transactions;

(15) Allows creditors to convert a contract into a different loan contract or a times sales agreement when the debtor requests an extension of credit or refinancing;

(16) Clarifies the process required for the proper release of a deed of trust;

(17) Repeals several sections of law setting forth requirements and restrictions on variable-rate unsecured loans;

(18) Repeals the provision requiring a lender to provide notice to the borrower before disposing of property that was given as collateral for the loan; and

(19) Repeals the limit on fees that financial institutions may charge for check overdrafts.