

FIRST REGULAR SESSION

HOUSE BILL NO. 375

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COX (Sponsor) AND BROWN (Co-sponsor).

1037H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 432.047, RSMo, and to enact in lieu thereof one new section relating to credit agreements.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 432.047, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 432.047, to read as follows:

432.047. 1. For the purposes of this section, the term "credit agreement" means an agreement to lend or forbear repayment of money, to otherwise extend credit, or to make any other financial accommodation.

2. A debtor may not maintain an action upon or a defense, regardless of legal theory in which it is based, in any way related to a credit agreement unless the credit agreement is in writing, provides for the payment of interest or for other consideration, [and] sets forth the relevant terms and conditions, **and the credit agreement is executed by the debtor and the lender.**

3. (1) [If] **When** a written credit agreement has been signed by a debtor, subsection 2 of this section shall not apply to any credit agreement between such debtor and creditor unless such written credit agreement contains the following language in boldface ten-point type: "Oral **or unexecuted** agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the credit agreement. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 which is the complete and exclusive statement of the agreement between us, except as we may
18 later agree in writing to modify it."

19 (2) Notwithstanding any other law to the contrary in this chapter, the provisions of this
20 section shall apply to commercial credit agreements only and shall not apply to credit agreements
21 for personal, family, or household purposes.

22 4. Nothing contained in this section shall affect the enforceability by a creditor of any
23 promissory note, guaranty, security agreement, deed of trust, mortgage, or other instrument,
24 agreement, or document evidencing or creating an obligation for the payment of money or other
25 financial accommodation, lien, or security interest.

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