

HB 329 -- RESIDENTIAL REAL ESTATE LOAN VIOLATION REPORTING (Dugger)

COMMITTEE OF ORIGIN: Committee on Financial Institutions

Currently, the directors of the Division of Finance and the Division of Credit Unions within the Department of Insurance, Financial Institutions and Professional Registration are required to examine and determine the number and total dollar amount of residential real estate loans originated, purchased, or foreclosed and the number of residential real estate loan applications denied by a financial institution with an office in a county or city with a population over 250,000. The division directors are required to conclude whether the institution has violated state law and to report the findings along with information required under the Federal Home Mortgage Disclosure Act to the Governor and the department director. This bill requires that the report only include the number and type of violation, a statement of enforcement actions taken, the names of institutions found to be in violation, the number and nature of complaints received, and the action taken on each complaint.

Currently, the division directors must conduct a hearing when he or she has reason to believe that there is a violation based on an examination, an investigation of a complaint, a report by the financial institution as required under Section 408.592, RSMo, or any public document or information. The bill repeals these provisions but retains the requirement for a hearing if the division director has reason to believe that a violation has occurred or does exist.

The bill also repeals provisions requiring certain financial institutions that are not regulated by the division directors to file a report with the Division of Finance specifying the number and dollar amount of residential real estate loans originated, purchased, and foreclosed.