

HCS HB 479 -- RESIDENTIAL MORTGAGE LOAN BROKERS

SPONSOR: Dugger

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Financial Institutions by a vote of 15 to 3.

This bill allows a residential mortgage loan broker to be licensed in this state without maintaining a full-service office in Missouri. The broker must file with his or her license application an irrevocable consent in a form as determined by the Director of the Division of Finance within the Department of Insurance, Financial Institutions and Professional Registration which provides that for any suit or action commenced against the broker in the courts of this state, the venue will lie in Missouri.

The division director may assess the reasonable costs of any investigation incurred by the division that are outside the normal expense of any annual or special examination or any other costs incurred as a result of the broker not maintaining a full-service office in Missouri.

PROponents: Supporters say that this bill will make it easier for companies that offer loans on manufactured homes to do business in Missouri and will create more competition which will save consumers money. Currently, there are a limited number of institutions that will make loans on manufactured homes in Missouri.

Testifying for the bill were Representative Dugger; and Missouri Manufactured Housing Association.

OPponents: Opponents of the bill say that it will create an unlevel playing field by allowing an exemption for mortgage brokers that other lenders do not have. This sets a risky precedent for one small segment of the industry that will expose high-risk consumers to potential abuse.

Testifying against the bill was Missouri Association of Mortgage Professionals.