

## HCS HB 787 -- INVESTMENT TRANSACTIONS (Wells)

COMMITTEE OF ORIGIN: Committee on Financial Institutions

This substitute changes the laws regarding early distributions from certain annuities or retirement plans, the Missouri Higher Education Savings Program, and residential mortgage loan brokers.

### EARLY DISTRIBUTIONS FROM CERTAIN ANNUITIES OR RETIREMENT PLANS

Beginning January 1, 2011, the substitute authorizes an income tax deduction from a taxpayer's Missouri adjusted gross income of any one-time early distribution from certain annuities or retirement plans when the distribution does not exceed 20% of the total balance of the account.

This provision will only become effective upon the enactment of a federal deduction for this distribution.

### MISSOURI HIGHER EDUCATION SAVINGS PROGRAM

For new contracts entered into after August 28, 2011, the board of the Missouri Higher Education Savings Program must study investment plans of other states and contract with or negotiate to provide benefit options the same as or similar to other states' qualified plans for the purpose of offering additional options for members of the plan.

### RESIDENTIAL MORTGAGE LOAN BROKERS

The substitute allows a residential mortgage loan broker making loans on manufactured or modular homes and mortgage loan brokers located in the Kansas City metropolitan area including the counties of Johnson, Leavenworth, and Wyandotte in the State of Kansas or mortgage loan brokers located in the Greater St. Louis metropolitan area including the counties of Madison, Monroe, and St. Clair in the State of Illinois 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 Cole County.

The division director may assess the reasonable costs of any investigation incurred by the division which 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.

A mortgage broker making loans on manufactured or modular homes is allowed to charge, require, or receive points or other fees except insurance on any residential real estate loan.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 or a cost of Unknown in FY 2012, FY 2013, and FY 2014. No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.