

SECOND REGULAR SESSION

HOUSE BILL NO. 1828

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANZ.

5955L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 408.500, RSMo, and to enact in lieu thereof one new section relating to unsecured loans of five hundred dollars or less, with penalty provisions.

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

Section A. Section 408.500, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 408.500, to read as follows:

408.500. 1. Lenders, other than banks, trust companies, credit unions, savings banks and savings and loan companies, in the business of making unsecured loans of five hundred dollars or less shall obtain a license from the director of the division of finance. An annual license fee of three hundred dollars per location shall be required. The license year shall commence on January first each year and the license fee may be prorated for expired months. The director may establish a biennial licensing arrangement but in no case shall the fees be payable for more than one year at a time. The provisions of this section shall not apply to pawnbroker loans, consumer credit loans as authorized under chapter 367, nor to a check accepted and deposited or cashed by the payee business on the same or the following business day. The disclosures required by the federal Truth in Lending Act and regulation Z shall be provided on any loan, renewal or extension made pursuant to this section and the loan, renewal or extension documents shall be signed by the borrower.

2. Entities making loans pursuant to this section shall contract for and receive simple interest and fees in accordance with sections 408.100 and 408.140. Any contract evidencing any fee or charge of any kind whatsoever, except for bona fide clerical errors, in violation of this section shall be void. Any person, firm or corporation who receives or imposes a fee or charge in violation of this section shall be guilty of a class A misdemeanor.

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.

54 and desist which order may be enforceable by a civil penalty of not more than one thousand
55 dollars per day for each day that the neglect, failure or refusal shall continue. The penalty shall
56 be assessed and collected by the director. In determining the amount of the penalty, the director
57 shall take into account the appropriateness of the penalty with respect to the gravity of the
58 violation, the history of previous violations, and such other matters as justice may require.

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