

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]

# SENATE BILL NO. 235

97TH GENERAL ASSEMBLY

2013

0983S.01T

---

---

## AN ACT

To repeal sections 408.590, 408.592, and 408.600, RSMo, and to enact in lieu thereof two new sections relating to residential real estate loan reporting.

---

---

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

Section A. Sections 408.590, 408.592, and 408.600, RSMo, are repealed  
2 and two new sections enacted in lieu thereof, to be known as sections 408.590 and  
3 408.600, to read as follows:

408.590. 1. [Each division director shall cause each state financial  
2 institution which he supervises, licenses or charters and which has an office  
3 within a county or a city, such county or city having a population in excess of two  
4 hundred fifty thousand, to be examined periodically during which examination  
5 the following shall be determined:

6 (1) The number and total dollar amount of residential real estate loans  
7 originated, purchased, or foreclosed by the financial institution after January 1,  
8 1980, in each of the following categories:

9 (a) Loans secured by residential real estate located outside the state of  
10 Missouri other than in counties contiguous to the state of Missouri;

11 (b) Loans secured by residential real estate located in the state of  
12 Missouri or in the counties of other states which counties are contiguous to the  
13 border of the state of Missouri, which number and dollar amount shall be further  
14 reported by the county in which the property is located;

15 (2) The number of residential real estate loan applications denied by the  
16 institution in which the real estate which was to secure the loan is situated in a  
17 county or city with a population in excess of two hundred and fifty thousand by  
18 such county or city;

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 (3) By a method to be determined by each division director, such facts as  
20 will enable the division director to conclude whether or not the institution has  
21 engaged or is engaged in any practice in violation of sections 408.570 to 408.600.

22 2. Each division director may issue such regulations as are necessary to  
23 require the maintenance of records from which the conclusions required by this  
24 section can be determined.

25 3. Each division director shall report annually to the governor and the  
26 director of the department his findings made in accordance with the provisions  
27 of this section and which shall include information reported under the provisions  
28 of the Federal Home Mortgage Disclosure Act (12 U.S.C. 2801 et seq.), which  
29 findings shall be made as to the total industry he regulates, and by each county  
30 or city with a population in excess of two hundred fifty thousand. This report  
31 shall be maintained by the division as a public document for a period of five  
32 years.

33 4. The annual reports of the division directors shall state the method or  
34 methods used by the division director to reach his conclusions both in  
35 examination and analysis; and shall contain such facts as he deems necessary to  
36 support those conclusions, including but not limited to:

37 (1) The information required to be obtained by the provisions of subsection  
38 1 of this section;

39 (2) **As to the state financial institutions under the supervision**  
40 **of the respective divisions, each division director shall report annually**  
41 **to the governor and the director of the department, with regard to each**  
42 **county or city with a population in excess of two hundred fifty**  
43 **thousand the following:**

44 (1) The number and type of violations of sections 408.570 to 408.600  
45 which are found to have occurred, a statement of the action or actions taken to  
46 enforce the provisions of said sections, and the names of the financial institutions  
47 which have been found upon a hearing to have violated the provisions of said  
48 sections; **and**

49 [(3)] (2) The number and nature of all complaints received by the  
50 department or division regarding alleged violations of any provision of sections  
51 408.570 to 408.600 and the action taken on each complaint by the division.

52 **2. This report shall be maintained by each division as a public**  
53 **document for a period of five years.**

408.600. 1. Each division director shall enforce the provisions of sections

2 408.570 to 408.600. With respect to state financial institutions which he  
3 supervises, licenses or charters, each division director shall utilize the powers  
4 granted him under the general statutory authority by which he regulates,  
5 supervises, licenses, or charters such institutions, as well as the powers granted  
6 him by sections 408.570 to 408.600. The director of the division of finance shall  
7 enforce the provisions of sections 408.570 to 408.600 as they pertain to state  
8 financial institutions not supervised, licensed or chartered by a division director,  
9 and shall in that enforcement have such powers as are granted in said  
10 sections. The enforcement powers granted by subsections 2 through 5 of this  
11 section shall be utilized by the director of the division of finance concerning  
12 national banks, by the director of [savings and loan supervision] **the division**  
13 **of finance** concerning federal savings and loan associations, and by the director  
14 of credit unions concerning federal credit unions.

15       2. Any person who alleges to have been aggrieved as a result of a violation  
16 of section 408.575 or 408.580 may file a complaint with the appropriate division  
17 director. Within ninety days of the receipt of such complaint, the division  
18 director shall determine whether there is any reason to believe that a violation  
19 of section 408.575 or 408.580 has occurred. If the division director determines  
20 that there is such reason, then he shall undertake to resolve the complaint by  
21 negotiation or he shall conduct a hearing in accordance with the provisions of  
22 subsection 3 of this section, except that the hearing shall be held in the locality  
23 where the alleged violation occurred.

24       3. If the division director[, on the basis of an examination, an  
25 investigation of a complaint which has not been resolved by negotiation, a report  
26 required to be filed by section 408.592, or any public document or information,]  
27 has reason to believe that a violation of section 408.575 or 408.580 has occurred  
28 or does exist, the division director shall conduct a hearing in accordance with  
29 chapter 536. If the evidence establishes a violation of any provision of section  
30 408.575 or 408.580, the division director may issue a cease and desist order  
31 stating specifically the unlawful practice to be discontinued, which order shall be  
32 served personally, or by certified mail. The decision of the division director shall  
33 be appealable directly to the circuit court pursuant to chapter 536.

34       4. If, after an order of the division director has become final, the director  
35 believes a violation of any provision of the order has occurred, he may seek an  
36 injunction to prohibit such violations in any court of competent jurisdiction. For  
37 each violation of such injunction, the court may assess a fine which may be

38 recovered with costs by the state in any court of competent jurisdiction in an  
39 action to be prosecuted by the attorney general.

40 5. The remedies provided by this section shall not be interpreted as  
41 exclusive remedies but shall be in addition to remedies otherwise available to the  
42 director or to any individual damaged by a violation of sections 408.570 to  
43 408.600.

[408.592. 1. Each state financial institution which is not  
2 supervised, licensed or chartered by a division director, which  
3 operates or has a place of business within a county having a  
4 population in excess of two hundred fifty thousand or a city not  
5 within a county and which originated an aggregate of five hundred  
6 thousand dollars or more in residential real estate loans in  
7 Missouri during the last calendar year shall, on or before a date of  
8 ninety days after the end of the fiscal year of the institution, file  
9 with the director of the division of finance an annual statement for  
10 each such county or city showing separately the number and total  
11 dollar amount of residential real estate loans both within and  
12 outside of that county or city which were:

13 (1) Originated by that institution during the preceding  
14 fiscal year;

15 (2) Purchased by that institution during the preceding fiscal  
16 year; and

17 (3) Foreclosed by that institution during the preceding  
18 fiscal year.

19 2. The information required to be filed under subsection 1  
20 of this section shall be further itemized in order to clearly and  
21 conspicuously disclose the following:

22 (1) The number and dollar amount of each item by census  
23 tracts for residential real estate loans on property located within  
24 that county or city;

25 (2) The number and dollar amount of each item for all  
26 residential real estate loans on property located outside that county  
27 or city.

28 3. The information required to be filed under subdivisions  
29 (1) and (2) of subsection 1 shall also be itemized in order to clearly  
30 and conspicuously disclose the following:

31           (1) The number and dollar amount of loans made for the  
32 purchase of residential real estate which are insured under Title  
33 II of the National Housing Act or under Title V of the Housing Act  
34 of 1949 or which are guaranteed under Chapter 37 of Title 38,  
35 United States Code;

36           (2) The number and dollar amount of loans made for the  
37 purchase of residential real estate, including loans insured under  
38 federal housing insurance programs;

39           (3) The number and dollar amount of loans made for the  
40 repair, rehabilitation or remodeling of residential real estate.

41           4. Each statement filed under the provisions of this section  
42 shall be filed on forms approved or furnished by the director of the  
43 division of finance and shall be verified by two officers of the  
44 institution. Wherever possible, the director of the division of  
45 finance shall make the forms consistent with the disclosure forms  
46 required under the Federal Home Mortgage Disclosure Act of 1975  
47 (12 U.S.C. 2801 et seq.).

48           5. The director of the division of finance shall maintain the  
49 statements filed under the provisions of this section for a period of  
50 not less than five years and shall make the statements available to  
51 the public for inspection during regular business hours and for  
52 copying at a cost not to exceed the actual cost to the division.]

✓

Copy