AN ACT

To repeal sections 361.707, 361.715, 364.030, 364.105, 365.030, 367.140, 407.640, 408.140, 408.500, and 443.719, RSMo, and to enact in lieu thereof ten new sections relating to financial transactions, with an existing penalty provision.

Section A. Sections 361.707, 361.715, 364.030, 364.105, 365.030, 367.140, 407.640, 408.140, 408.500, and 443.719, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 361.707, 361.715, 364.030, 364.105, 365.030, 367.140, 407.640, 408.140, 408.500, and 443.719, to read as follows:

361.707. 1. Each application for a license pursuant to sections 361.700 to 361.727 shall be in writing and under oath to the director in such form as he may prescribe. The application shall state the full name and business address of:

(1) The proprietor, if the applicant is an individual;

(2) Every member, if the applicant is a partnership or association;

(3) The corporation and each officer and director thereof, if the applicant is a corporation.

2. Each application for a license shall be accompanied by an investigation fee of [one] three hundred dollars. If the license is granted the investigation fee shall be applied to the license fee for the first year. No investigation fee shall be refunded.

361.715. 1. Upon the filing of the application, the filing of a certified copy.
audit, the payment of the investigation fee and the approval by the director of the necessary bond, the director shall cause, investigate, and determine whether the character, responsibility, and general fitness of the principals of the applicant or any affiliates are such as to command confidence and warrant belief that the business of the applicant will be conducted honestly and efficiently and that the applicant is in compliance with all other applicable state and federal laws. If satisfied, the director shall issue to the applicant a license pursuant to the provisions of sections 361.700 to 361.727. In processing a renewal license, the director shall require the same information and follow the same procedures described in this subsection.

2. Each licensee shall pay to the director before the issuance of the license, and annually thereafter on or before April fifteenth of each year, a license fee of \[\text{one} \text{three} \text{hundred dollars}\].

3. The director may assess a reasonable charge, not to exceed \[\text{one} \text{three} \text{hundred dollars}\], for any application to amend and reissue an existing license.

364.030. 1. No person shall engage in the business of a financing institution in this state without a license therefor as provided in this chapter; except, however, that no bank, trust company, loan and investment company, licensed sales finance company, registrant under the provisions of sections 367.100 to 367.200, or person who makes only occasional purchases of retail time contracts or accounts under retail charge agreements and which purchases are not being made in the course of repeated or successive purchase of retail installment contracts from the same seller, shall be required to obtain a license under this chapter but shall comply with all the laws of this state applicable to the conduct and operation of a financing institution.

2. The application for the license shall be in writing, under oath and in the form prescribed by the director. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees and principal officers, and other pertinent information as the director may require.

3. The license fee for each calendar year or part thereof shall be the sum of \[\text{three} \text{five} \text{hundred dollars}\] for each place of business of the licensee in this state which shall be paid into the general revenue fund. 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.

4. Each license shall specify the location of the office or branch and must be conspicuously displayed therein. In case the location is changed, the director shall either endorse the change of location of the license or mail the licensee a certificate to that effect, without charge.

5. Upon the filing of an application, and the payment of the fee, the director shall issue a license to the applicant to engage in the business of a financing institution under and in accordance with the provisions of this chapter for a period which shall expire the last day of December next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by this chapter under any other name.

364.105. 1. No person shall engage in the business of a premium finance company in this state without first registering as a premium finance company with the director.

2. The annual registration fee shall be five hundred dollars payable to the director as of the first day of July of each year. 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.

3. Registration shall be made on forms prepared by the director and shall contain the following information:

   (1) Name, business address and telephone number of the premium finance company;

   (2) Name and business address of corporate officers and directors or principals or partners;

   (3) A sworn statement by an appropriate officer, principal or partner of the premium finance company that:

      (a) The premium finance company is financially capable to engage in the business of insurance premium financing; and

      (b) If a corporation, that the corporation is authorized to transact business in this state;

   (4) If any material change occurs in the information contained in the registration form, a revised statement shall be submitted to the director accompanied by an additional fee of three hundred dollars.

365.030. 1. No person shall engage in the business of a sales finance company in this state without a license as provided in this chapter; except, that no bank, trust company, savings and loan association, loan and investment
company or registrant under the provisions of sections 367.100 to 367.200 authorized to do business in this state is required to obtain a license under this chapter but shall comply with all of the other provisions of this chapter.

2. The application for the license shall be in writing, under oath and in the form prescribed by the director. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees and principal officers, and such other pertinent information as the director may require.

3. The license fee for each calendar year or part thereof shall be the sum of three thousand five hundred dollars for each place of business of the licensee in this state. 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.

4. Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case the location is changed, the director shall either endorse the change of location on the license or mail the licensee a certificate to that effect, without charge.

5. Upon the filing of the application, and the payment of the fee, the director shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of this chapter for a period which shall expire the last day of December next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by this chapter under any other name.

367.140. 1. Every lender shall, at the time of filing application for certificate of registration as provided in section 367.120 hereof, pay the sum of three thousand five hundred dollars as an annual registration fee for the period ending the thirtieth day of June next following the date of payment and in full payment of all expenses for investigations, examinations and for the administration of sections 367.100 to 367.200, except as provided in section 367.160, and thereafter a like fee shall be paid on or before June thirtieth of each year; provided, that if a lender is supervised by the commissioner of finance under any other law, the charges for examination and supervision required to be paid under said law shall be in lieu of the annual fee for registration and examination required under this section. The fee shall be made payable to the director of revenue. If the initial registration fee for any certificate of registration is for a period of less than
twelve months, the registration fee shall be prorated according to the number of
months that said period shall run. 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.

2. Upon receipt of such fee and application for registration, and provided
the bond, if required by the director, has been filed, the director shall issue to the
lender a certificate containing the lender's name and address and reciting that
such lender is duly and properly registered to conduct the supervised
business. The lender shall keep this certificate of registration posted in a
conspicuous place at the place of business recited in the registration
certificate. Where the lender engages in the supervised business at or from more
than one office or place of business, such lender shall obtain a separate certificate
of registration for each such office or place of business.

3. Certificates of registration shall not be assignable or transferable
except that the lender named in any such certificate may obtain a change of
address of the place of business therein set forth. Each certificate of registration
shall remain in full force and effect until surrendered, revoked, or suspended as
herein provided.

407.640. 1. A credit services organization shall file a registration
statement with the director of finance before conducting business in this
state. The registration statement must contain:

   (1) The name and address of the credit services organization; and
   (2) The name and address of any person who directly or indirectly owns
       or controls ten percent or more of the outstanding shares of stock in the credit
       services organization.

2. The registration statement must also contain either:

   (1) A full and complete disclosure of any litigation or unresolved
       complaint filed by or with a governmental authority of this state relating to the
       operation of the credit services organization; or
   (2) A notarized statement that states that there has been no litigation or
       unresolved complaint filed by or with a governmental authority of this state
       relating to the operation of the credit services organization.

3. The credit services organization shall update the statement not later
than the ninetieth day after the date on which a change in the information
required in the statement occurs.

4. Each credit services organization registering under this section shall
maintain a copy of the registration statement in the office of the credit services
organization. The credit services organization shall allow a buyer to inspect the
registration statement on request.

5. The director of finance may charge each credit services organization
that files a registration statement with the director of finance a reasonable fee
not to exceed [one] three hundred dollars to cover the cost of filing. The director
of finance may not require a credit services organization to provide information
other than that provided in the registration statement as part of the registration
process.

408.140. 1. No further or other charge or amount whatsoever shall be
directly or indirectly charged, contracted for or received for interest, service
charges or other fees as an incident to any such extension of credit except as
provided and regulated by sections 367.100 to 367.200 and except:

(1) On loans for thirty days or longer which are other than "open-end
credit" as such term is defined in the federal Consumer Credit Protection Act and
regulations thereunder, a fee, not to exceed ten percent of the principal amount
loaned not to exceed [seventy-five] one hundred dollars may be charged by the
lender; however, no such fee shall be permitted on any extension, refinance,
restructure or renewal of any such loan, unless any investigation is made on the
application to extend, refinance, restructure or renew the loan;

(2) The lawful fees actually and necessarily paid out by the lender to any
public officer for filing, recording, or releasing in any public office any instrument
securing the loan, which fees may be collected when the loan is made or at any
time thereafter; however, premiums for insurance in lieu of perfecting a security
interest required by the lender may be charged if the premium does not exceed
the fees which would otherwise be payable;

(3) If the contract so provides, a charge for late payment on each
installment or minimum payment in default for a period of not less than fifteen
days in an amount not to exceed five percent of each installment due or the
minimum payment due or fifteen dollars, whichever is greater, not to exceed fifty
dollars. If the contract so provides, a charge for late payment on each twenty-five
dollars or less installment in default for a period of not less than fifteen days
shall not exceed five dollars;

(4) If the contract so provides, a charge for late payment for a single
payment note in default for a period of not less than fifteen days in an amount
not to exceed five percent of the payment due; provided that, the late charge for
a single payment note shall not exceed fifty dollars;

(5) Charges or premiums for insurance written in connection with any loan against loss of or damage to property or against liability arising out of ownership or use of property as provided in section 367.170; however, notwithstanding any other provision of law, with the consent of the borrower, such insurance may cover property all or part of which is pledged as security for the loan, and charges or premiums for insurance providing life, health, accident, or involuntary unemployment coverage;

(6) Reasonable towing costs and expenses of retaking, holding, preparing for sale, and selling any personal property in accordance with section 400.9;

(7) Charges assessed by any institution for processing a refused instrument plus a handling fee of not more than twenty-five dollars;

(8) If the contract or promissory note, signed by the borrower, provides for attorney fees, and if it is necessary to bring suit, such attorney fees may not exceed fifteen percent of the amount due and payable under such contract or promissory note, together with any court costs assessed. The attorney fees shall only be applicable where the contract or promissory note is referred for collection to an attorney, and is not handled by a salaried employee of the holder of the contract;

(9) Provided the debtor agrees in writing, the lender may collect a fee in advance for allowing the debtor to defer up to three monthly loan payments, so long as the fee is no more than the lesser of fifty dollars or ten percent of the loan payments deferred, no extensions are made until the first loan payment is collected and no more than one deferral in a twelve-month period is agreed to and collected on any one loan; this subdivision applies to nonprecomputed loans only and does not affect any other subdivision;

(10) If the open-end credit contract is tied to a transaction account in a depository institution, such account is in the institution's assets and such contract provides for loans of thirty-one days or longer which are "open-end credit", as such term is defined in the federal Consumer Credit Protection Act and regulations thereunder, the creditor may charge a credit advance fee of up to the lesser of seventy-five dollars or ten percent of the credit advanced from time to time from the line of credit; such credit advance fee may be added to the open-end credit outstanding along with any interest, and shall not be considered the unlawful compounding of interest as that term is defined in section 408.120;

(11) A deficiency waiver addendum, guaranteed asset protection, or a
similar product purchased as part of a loan transaction with collateral and at the 
borrower's consent, provided the cost of the product is disclosed in the loan 
contract, is reasonable, and the requirements of section 408.380 are met.

2. Other provisions of law to the contrary notwithstanding, an open-end 
credit contract under which a credit card is issued by a company, financial 
institution, savings and loan or other credit issuing company whose credit card 
operations are located in Missouri may charge an annual fee, provided that no 
finance charge shall be assessed on new purchases other than cash advances if 
such purchases are paid for within twenty-five days of the date of the periodic 
statement therefor.

3. Notwithstanding any other provision of law to the contrary, in addition 
to charges allowed pursuant to section 408.100, an open-end credit contract 
provided by a company, financial institution, savings and loan or other credit 
issuing company which is regulated pursuant to this chapter may charge an 
annual fee not to exceed fifty dollars.

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] five 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.

3. Notwithstanding any other law to the contrary, cost of collection
expenses, which include court costs and reasonable attorneys fees, awarded by the
court in suit to recover on a bad check or breach of contract shall not be
considered as a fee or charge for purposes of this section.

4. Lenders licensed pursuant to this section shall conspicuously post in
the lobby of the office, in at least fourteen-point bold type, the maximum annual
percentage rates such licensee is currently charging and the statement:

   NOTICE:

   This lender offers short-term loans. Please read and understand
   the terms of the loan agreement before signing.

5. The lender shall provide the borrower with a notice in substantially the
following form set forth in at least ten-point bold type, and receipt thereof shall
be acknowledged by signature of the borrower:

   (1) This lender offers short-term loans. Please read and understand the
terms of the loan agreement before signing.

   (2) You may cancel this loan without costs by returning the full principal
balance to the lender by the close of the lender's next full business day.

6. The lender shall renew the loan upon the borrower's written request
and the payment of any interest and fees due at the time of such renewal;
however, upon the first renewal of the loan agreement, and each subsequent
renewal thereafter, the borrower shall reduce the principal amount of the loan by
not less than five percent of the original amount of the loan until such loan is
paid in full. However, no loan may be renewed more than six times.

7. When making or negotiating loans, a licensee shall consider the
financial ability of the borrower to reasonably repay the loan in the time and
manner specified in the loan contract. All records shall be retained at least two
years.

8. A licensee who ceases business pursuant to this section must notify the
director to request an examination of all records within ten business days prior
to cessation. All records must be retained at least two years.

9. Any lender licensed pursuant to this section who fails, refuses or
neglects to comply with the provisions of this section, or any laws relating to
consumer loans or commits any criminal act may have its license suspended or
revoked by the director of finance after a hearing before the director on an order
of the director to show cause why such order of suspension or revocation should
not be entered specifying the grounds therefor which shall be served on the
licensee at least ten days prior to the hearing.
10. Whenever it shall appear to the director that any lender licensed pursuant to this section is failing, refusing or neglecting to make a good faith effort to comply with the provisions of this section, or any laws relating to consumer loans, the director may issue an order to cease and desist which order may be enforceable by a civil penalty of not more than one thousand dollars per day for each day that the neglect, failure or refusal shall continue. The penalty shall be assessed and collected by the director. In determining the amount of the penalty, the director shall take into account the appropriateness of the penalty with respect to the gravity of the violation, the history of previous violations, and such other matters as justice may require.

443.719. 1. In order to meet the written test requirement under sections 443.701 to 443.893, an individual shall pass, in accordance with the standards established under this section, a qualified written test developed by the NMLS based upon reasonable standards, and designated as the NMLS'S National Test Component with Uniform State Content for Mortgage Loan Originator licensing.

2. A written test shall not be treated as a qualified written test for purposes of subsection 1 of this section unless the test adequately measures the applicant’s knowledge and comprehension in appropriate subject areas, including:

   (1) Ethics;
   (2) Federal law and regulation pertaining to mortgage origination;
   (3) State law and regulation pertaining to mortgage origination;
   (4) Federal and state law and regulation on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.

3. Nothing in this section shall prohibit a test provider approved by the NMLS from providing a test at the location of the employer of the applicant or the location of any subsidiary or affiliate of the employer of the applicant, or the location of any person with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

4. An applicant for licensure as a mortgage loan originator shall demonstrate minimum competence as follows:

   (1) An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than seventy-five percent correct answers to questions;
   (2) An individual may retake a test two times with each consecutive taking occurring at least thirty days after the preceding test;
(3) After failing three consecutive tests, an individual shall wait at least six months before taking the test again;

(4) A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer shall retake the test, not taking into account any time during which such individual is a registered mortgage loan originator.