

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 932

98TH GENERAL ASSEMBLY

2016

5992H.02T

AN ACT

To repeal sections 370.230, 486.245, 486.275, 486.285, 486.305, 486.310, and 486.375, RSMo, and to enact in lieu thereof eight new sections relating to regulation of bonded entities, with a penalty provision.

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

Section A. Sections 370.230, 486.245, 486.275, 486.285, 486.305, 486.310, 2 and 486.375, RSMo, are repealed and eight new sections enacted in lieu thereof, 3 to be known as sections 370.230, 375.971, 486.245, 486.275, 486.285, 486.305, 4 486.310, and 486.375, to read as follows:

370.230. 1. The supervisory committee shall make, or cause to be made, 2 an examination of the affairs of the credit union, at least annually, including its 3 books and accounts, and shall make or cause to be made, a [direct] verification 4 of members' share and loan accounts [at least every two years with a reasonable 5 statistical sampling of members accounts being made in alternate years] **in the 6 same manner and with the same frequency as required by federal law 7 for federal credit unions**, and shall review the acts of the board of directors, 8 credit committee and officers, any or all of whom the supervisory committee may 9 suspend at any time by a majority vote.

10 2. Within seven days after such suspension, the supervisory committee 11 shall cause notice to be given the members of a special meeting to take action on 12 such suspension, the call for the meeting to indicate clearly its purpose.

13 3. By a majority vote the committee may call a meeting of the members 14 to consider any violation of this chapter or of the bylaws, or any practice of the 15 credit union which, in the opinion of said committee, is unsafe and unauthorized.

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

16 4. During the fiscal year, the supervisory committee shall make or cause
17 to be made a thorough audit of the receipts, disbursements, income, assets, and
18 liabilities of the credit union, and shall make a full report on such audit to the
19 directors. In the event that a credit union has over one million dollars in assets,
20 an independent audit shall be required in lieu of the audit by the supervisory
21 committee, and a report on such audit shall be read at the annual meeting and
22 shall be filed and preserved with the records of the credit union.

23 5. The supervisory committee shall fill vacancies in their own number
24 until the next annual meeting or, if the bylaws so provide, vacancies may be filled
25 by appointment by the board of directors.

375.971. 1. As used in this section, the following terms mean:

2 **(1) "Federal home loan bank", a federal home loan bank**
3 **established under the federal Home Loan Bank Act, 12 U.S.C. Section**
4 **1421, et seq.;**

5 **(2) "Insurer-member", an insurer who is a member of a federal**
6 **home loan bank.**

7 **2. Notwithstanding any other provision to the contrary, no**
8 **federal home loan bank shall be stayed or prohibited from exercising**
9 **its rights regarding collateral pledged by an insurer-member.**

10 **3. If a federal home loan bank exercises its rights regarding**
11 **collateral pledged by an insurer-member who is subject to a**
12 **delinquency proceeding, the federal home loan bank shall repurchase**
13 **any outstanding capital stock that is in excess of that amount of federal**
14 **home loan bank stock that the insurer-member is required to hold as**
15 **a minimum investment, to the extent the federal home loan bank in**
16 **good faith determines the repurchase to be permissible under**
17 **applicable laws, regulations, regulatory obligations, and the federal**
18 **home loan bank's capital plan, and consistent with the federal home**
19 **loan bank's current capital stock practices applicable to its entire**
20 **membership.**

21 **4. Following the appointment of a receiver for an insurer-**
22 **member, the federal home loan bank shall, within ten business days**
23 **after a request from the receiver, provide a process and establish a**
24 **timeline for the following:**

25 **(1) The release of collateral that exceeds the amount required to**
26 **support secured obligations remaining after any repayment of loans as**
27 **determined in accordance with the applicable agreements between the**

28 federal home loan bank and the insurer-member;

29 (2) The release of any of the insurer-member's collateral
30 remaining in the federal home loan bank's possession following
31 repayment of all outstanding secured obligations of the insurer-member
32 in full;

33 (3) The payment of fees owed by the insurer-member and the
34 operation of deposits and other accounts of the insurer-member with
35 the federal home loan bank; and

36 (4) The possible redemption or repurchase of federal home loan
37 bank stock or excess stock of any class that an insurer-member is
38 required to own.

39 5. Upon request from a receiver, the federal home loan bank
40 shall provide any available options for an insurer-member subject to a
41 delinquency proceeding to renew or restructure a loan to defer
42 associated prepayment fees, subject to market conditions, the terms of
43 any loans outstanding to the insurer-member, the applicable policies of
44 the federal home loan bank, and the federal home loan bank's
45 compliance with federal laws and regulations.

46 6. Notwithstanding any other provision of law to the contrary,
47 the receiver for an insurer-member shall not void any transfer of, or
48 any obligation to transfer, money or any other property arising under
49 or in connection with any federal home loan bank security agreement,
50 or any pledge, security, collateral, or guarantee agreement, or any
51 other similar arrangement or credit enhancement relating to a federal
52 home loan bank security agreement made in the ordinary course of
53 business and in compliance with the applicable federal home loan bank
54 agreement. However, a transfer may be avoided under this subsection
55 if the transfer was made with intent to hinder, delay, or defraud the
56 insurer-member, the receiver for the insurer-member, or existing or
57 future creditors. This subsection shall not affect a receiver's rights
58 regarding advances to an insurer-member in delinquency proceedings
59 under 12 CFR Part 1266.4.

486.245. 1. The county clerk shall keep a register, listing the name and
2 address of each person to whom he awards a notary commission and the date
3 upon which he awards the commission. Within thirty days after receiving a bond,
4 signature and oath, the county clerk shall forward the bond, signature and oath
5 to the secretary of state by certified mail. All such bonds, signatures and oaths

6 shall be preserved permanently by the secretary of state.

7 **2. The secretary of state shall maintain a database that includes,**
8 **but is not limited to, information that is contained on each notary's seal**
9 **or any lost seal of a notary public.**

486.275. 1. At the time of notarization a notary public shall sign his or
2 her official signature on each notary certificate.

3 **2. If a signature or record is required to be notarized,**
4 **acknowledged, verified, or made under oath, notwithstanding the**
5 **provisions of section 486.285 to the contrary, the requirement is**
6 **satisfied if the electronic signature of the person authorized to perform**
7 **such acts, together with all other information required to be included,**
8 **is attached to or logically associated with the signature or record.**

9 **3. The secretary of state shall promulgate rules to implement the**
10 **provisions of this section. Any rule or portion of a rule, as that term is**
11 **defined in section 536.010, that is created under the authority delegated**
12 **in this section shall become effective only if it complies with and is**
13 **subject to all of the provisions of chapter 536 and, if applicable, section**
14 **536.028. This section and chapter 536 are nonseverable, and if any of**
15 **the powers vested with the general assembly pursuant to chapter 536**
16 **to review, to delay the effective date, or to disapprove and annul a rule**
17 **are subsequently held unconstitutional, then the grant of rulemaking**
18 **authority and any rule proposed or adopted after August 28, 2016, shall**
19 **be invalid and void.**

486.285. 1. (1) A manufacturer of a notary public's seal shall
2 register with the secretary of state and communicate to the secretary
3 of state when it has issued a seal to a person in this state. After such
4 communication, the secretary of state shall approve any seal issued by
5 the manufacturer within ten days.

6 **(2) A copy of the notary's commission shall be maintained by**
7 **such manufacturer.**

8 **(3) If a manufacturer violates the provisions of this subsection,**
9 **the manufacturer shall be subject to a one thousand dollar fine for each**
10 **violation.**

11 **2. Each notary public shall provide, keep, and use a seal which is either**
12 **an engraved embosser seal or a black inked rubber stamp seal to be used on the**
13 **document being notarized. The seal shall contain the notary's name exactly as**
14 **indicated on the commission and the words "Notary Seal", "Notary Public", and**

15 "State of Missouri" and, after August 28, 2004, the commission number assigned
16 by the secretary of state, provided that the notary public has been issued a
17 commission number by the secretary of state, all of which shall be in print not
18 smaller than eight-point type.

19 [2.] 3. The indentations made by the seal embosser or printed by the
20 black inked rubber stamp seal shall not be applied on the notarial certificate or
21 document to be notarized in a manner that will render illegible or incapable of
22 photographic reproduction any of the printed marks or writing on the certificate
23 or document.

24 [3.] 4. Every notary shall keep an official notarial seal that is the
25 exclusive property of the notary and the seal may not be used by any other person
26 or surrendered to an employer upon termination of employment.

486.305. 1. Any notary public who loses or misplaces his **or her** journal
2 of notarial acts or official seal shall [forthwith mail or deliver] **immediately**
3 **provide written** notice of the fact to the secretary of state. **For a lost or**
4 **misplaced official seal, upon receipt of the written notice, the secretary**
5 **of state shall issue the notary a new commission number for the notary**
6 **to order a new seal. The secretary of state may post notice on the**
7 **secretary of state's website notifying the general public that the lost or**
8 **misplaced notary seal and commission number of such notary is invalid**
9 **and is not an acceptable notary commission number.**

10 2. **If a notary public's official seal is destroyed, broken, damaged,**
11 **or otherwise rendered inoperable, the notary shall immediately provide**
12 **written notice of that fact to the secretary of state.**

486.310. 1. If any notary public no longer desires to be a notary public,
2 he or she shall forthwith mail or deliver to the secretary of state a letter of
3 resignation **and his or her notary seal**, and his or her commission shall
4 thereupon cease to be in effect. **The secretary of state may post notice on**
5 **the secretary of state's website notifying the general public that the**
6 **notary is no longer a commissioned notary public in the state of**
7 **Missouri.** If a notary public resigns following the receipt of a complaint by the
8 secretary of state regarding the notary public's conduct, the secretary of state
9 may deny any future applications by such person for appointment and commission
10 as a notary public.

11 2. **If any notary public seeks to amend his or her commission, he**
12 **or she shall forthwith mail or deliver to the secretary of state his or her**

13 **notary seal unless a person, business, or manufacturer alters the**
14 **existing seal in compliance with subsection 4 of section 486.285.**

486.375. Any person who acts as, or otherwise willfully impersonates, a
2 notary public while not lawfully appointed and commissioned to perform notarial
3 acts is guilty of a misdemeanor and punishable upon conviction by a fine not
4 exceeding five hundred dollars or by imprisonment for not more than six months
5 or both, **unless such act results in a fraudulent act involving property,**
6 **such person shall be guilty of a class E felony.**

Unofficial

Bill

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