

HB 2571 -- DIVISION OF FINANCE

SPONSOR: Owen

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 14 to 0.

This bill grants the Division of Finance (DOF), within the Department of Commerce and Insurance the authority over the laws relating to persons and entities engaged in the following:

- (1) Banks, trust companies and the banking business. Currently the Division has regulatory authority over these entities.
- (2) Mortgage loan business;
- (3) Any other financial-services-related business over which the Division is granted express authority.

This bill grants the Director discretionary authority to issue bulletins regulating the businesses, which do not have the force or effect of law and are not regarded as statements of general applicability for rule promulgation. In addition, the Division is granted discretionary authority to issue industry letters in response to written requests from an individual and entity on the application of law, that includes certain information detailed in the bill.

This bill allows the Director, based upon an examination or investigation, to issue notice of charges against any corporation for violations described in the bill.

PROPOSERS: Supporters say that DOF is being authorized to publish industry guidance letters in a timely fashion, to promote consistency and transparency, to enable the banks to develop their policies and procedures prior to DOF examination in order to achieve compliance. The non bank consumer lenders will come under the purview of DOF. The DOF is a fee funded agency and there is a modest licensing fee being assessed of \$50 to defray costs. DOF is authorized to provide administrative services to the board. DOF posts bulletins on its website on emerging issues.

Testifying for the bill were Representative Owen; Chris Liese, MILA; Mick Campbell, Missouri Division of Finance; and Missouri Bankers Association.

OPPOSERS: There was no opposition to the bill.

Testifying against the bill was Arnie C. Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.