

2011 State Legislation Wrap-Up



The General Assembly adjourned at 6 p.m., Friday, May 13. Over the course of the 2011 Legislative Session, approximately 1,455 bills were filed by members of the House and Senate compared to last year's 1,773 bills. Some would attribute fewer filings to a large, inexperienced freshman class. Of the 1,455 filed bills 46 Senate and 101 House bills were "Truly Agreed To and Finally Passed" and delivered to Governor Nixon for his signature. The Governor has until the first week in July to veto bills. Before looking at what passed, here are **issues that we were successful in blocking** from passage in either the House or Senate.

- **Foreclosure bills.** Several bills were introduced with such onerous provisions as drawing out the foreclosure process to a year and requiring that if the credit union sold a home for more than was owed, they had to refund the overage to the individual. Another would have required mediation. In an unusual turn of events, one of the foreclosure bills was sponsored by a Republican who found support among Democrats in committee.
- **Payday lending.** For the past several years, members of both the House and Senate have attempted to pass legislation to either substantially restrict or eliminate payday lending in Missouri. In some cases, language might have affected credit unions' ability to offer payday loan alternatives. None of the bills made it out of committee, but there was a contentious hearing in a House committee.

Following are **bills of interest to credit unions** that were passed by the Missouri General Assembly as of May 13, the end of the 2010 legislative session. The governor has 45 days following the end of the legislative session to either sign or veto bills. If he does neither, a bill automatically goes into effect on August 28, 2011.

Final versions of the bills can be found at <http://www.house.mo.gov/billcentral.aspx> . Be certain to look for the version marked "Truly Agreed To and Finally Passed."

Credit Union Modernization Legislation

Missouri Credit Union Legislation

HB 465, Sponsor: Rep. Don Wells (R-District 147)

SB 306, Sponsor: Sen. Jay Wasson (R-District 20)

Legislation to update sections of the Missouri Credit Union Act included:

- Confidentiality provisions that would protect information obtained in credit union examinations,
- Due process for removal of volunteers or credit union officers,
- Lifting a \$25,000 cap on loans to volunteers unsecured by mortgages or vehicles,
- Removal of an outdated reserve transfer calculation, and
- Allowing the option of electronic balloting for merger and charter conversion votes.

Guaranteed Asset Protection (GAP) products**SB 83, Sponsor: Sen. David Pearce (R-District 31)**

Currently the language clarifies that Missouri financial institutions may sell GAP products. The language requires that the cost of the product be “reasonable” and that it is disclosed in the loan contract. The borrower’s consent has to be in writing. It also states that if the vehicle is sold early, that a prorated amount be refunded. This is to address instances where dealers and other entities collect the entire amount up front. There is also a provision that a consumer can cancel the coverage within 15 days of its purchase and receive a full refund.

ATM Fees and International Transactions at U.S. ATMs**HB 83, Sponsor: Rep. Jerry Nolte (R-District 33)****SB 219, Sponsor: Sen. Jay Wasson (R-District 20)**

The bill allows Missouri financial institutions to charge access fees to those with accounts in foreign countries.

Refinancing and Lien Perfection on Vehicle Loans**HB 550, Sponsor: Rep. David Day (R-District 148)**

Changes state law regarding refinancing vehicles so the Department of Revenue (DOR) may promulgate rules to allow financial institutions to file a notice of lien with the date of filing to reflect when the lien is perfected.