

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 836

AN ACT

To repeal section 381.410, RSMo, and to enact in lieu thereof one new section relating to funds used for real estate transactions.

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

Section A. Section 381.410, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 381.410, to read as follows:

381.410. As used in this section and section 381.412, the following terms mean:

(1) "Cashier's check", a check, however labeled, drawn on the financial institution, which is signed only by an officer or employee of such institution, is a direct obligation of such institution, and is provided to a customer of such institution or acquired from such institution for remittance purposes;

(2) "Certified funds", United States currency, funds conveyed by a cashier's check, certified check, or teller's check, as defined in Federal Reserve Regulations CC, or funds conveyed by wire transfers, [including] or funds unconditionally received by the settlement agent or the agent's depository, or funds conveyed by a real-time payment system, including but not limited to RTP and Fed Now, for which a settlement agent receives written advice from a financial institution that collected funds have been credited to the settlement agent's account;

(3) "Director", the director of the department of commerce and insurance, unless the settlement agent's primary regulator is another department. When the

settlement agent is regulated by such department, that department shall have jurisdiction over this section and section 381.412;

(4) "Financial institution":

(a) A person or entity doing business under the laws of this state or the United States relating to banks, trust companies, savings and loan associations, credit unions, commercial and consumer finance companies, industrial loan companies, insurance companies, small business investment corporations licensed under the Small Business Investment Act of 1958, 15 U.S.C. Section 661, et seq., as amended, or real estate investment trusts as defined in 26 U.S.C. Section 856, as amended, or institutions constituting the Farm Credit System under the Farm Credit Act of 1971, 12 U.S.C. Section 2000, et seq., as amended; or

(b) A mortgage loan company or mortgage banker doing business under the laws of this state or the United States which is subject to licensing, supervision, or auditing by the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or the United States Veterans' Administration, or the Government National Mortgage Association, or the United States Department of Housing and Urban Development, or a successor of any of the foregoing agencies or entities, as an approved seller or servicer, if their principal place of business is in Missouri or a state which is contiguous to Missouri;

(5) "Settlement agent", a person, corporation, partnership, or other business organization which accepts funds and documents as fiduciary for the buyer, seller or lender for the purposes of closing a sale of an interest in real estate located within the state of Missouri, and is not a financial institution, or a member in good standing of the Missouri Bar, or a person licensed under chapter 339.