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SALUS POPULI SUPREMA LEX ESTO

“The welfare of the people shall be the supreme law.”



ROBIN CARNAHAN
SECRETARY OF STATE

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Documents will be accepted for filing on all regular workdays from 8:00 a.m. until 5:00 p.m. We encourage early filings to facilitate the timely publication of the *Missouri Register*. Orders of Rulemaking appearing in the *Missouri Register* will be published in the *Code of State Regulations* and become effective as listed in the chart above. Advance notice of large volume filings will facilitate their timely publication. We reserve the right to change the schedule due to special circumstances. Please check the latest publication to verify that no changes have been made in this schedule. To review the entire year's schedule, please check out the website at <http://www.sos.mo.gov/adrules/pubsched.asp>

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RULES—Cite material in the *Missouri Register* by volume and page number, for example, Vol. 28, *Missouri Register*, page 27. The approved short form of citation is 28 MoReg 27.

The rules are codified in the *Code of State Regulations* in this system—

Title	Code of State Regulations	Division	Chapter	Rule
1	CSR	10-	1.	010
Department		Agency, Division	General area regulated	Specific area regulated

They are properly cited by using the full citation, i.e., 1 CSR 10-1.010.

Each department of state government is assigned a title. Each agency or division within the department is assigned a division number. The agency then groups its rules into general subject matter areas called chapters and specific areas called rules. Within a rule, the first breakdown is called a section and is designated as (1). Subsection is (A) with further breakdown into paragraph 1., subparagraph A., part (I), subpart (a), item I. and subitem a.

RSMo—The most recent version of the statute containing the section number and the date.

Rules appearing under this heading are filed under the authority granted by section 536.025, RSMo 2000. An emergency rule may be adopted by an agency if the agency finds that an immediate danger to the public health, safety, or welfare, or a compelling governmental interest requires emergency action; follows procedures best calculated to assure fairness to all interested persons and parties under the circumstances; follows procedures which comply with the protections extended by the *Missouri* and the *United States Constitutions*; limits the scope of such rule to the circumstances creating an emergency and requiring emergency procedure, and at the time of or prior to the adoption of such rule files with the secretary of state the text of the rule together with the specific facts, reasons, and findings which support its conclusion that there is an immediate danger to the public health, safety, or welfare which can be met only through the adoption of such rule and its reasons for concluding that the procedure employed is fair to all interested persons and parties under the circumstances.

Rules filed as emergency rules may be effective not less than ten (10) days after filing or at such later date as may be specified in the rule and may be terminated at any time by the state agency by filing an order with the secretary of state fixing the date of such termination, which order shall be published by the secretary of state in the *Missouri Register* as soon as practicable.

All emergency rules must state the period during which they are in effect, and in no case can they be in effect more than one hundred eighty (180) calendar days or thirty (30) legislative days, whichever period is longer. Emergency rules are not renewable, although an agency may at any time adopt an identical rule under the normal rulemaking procedures.

Title 2—DEPARTMENT OF AGRICULTURE Division 70—Plant Industries Chapter 11—Missouri Plant Law Quarantines

EMERGENCY RULE

2 CSR 70-11.060 Thousand Cankers Disease of Walnut Exterior Quarantine

PURPOSE: *This rule prevents the introduction into Missouri of a newly described destructive pest complex known as Thousand Cankers Disease of Walnut, consisting of an insect pest, the Walnut Twig Beetle, *Pityophthorus juglandis*, and a fungal pathogen, *Geosmithia morbida* sp. nov.*

EMERGENCY STATEMENT: *The Department of Agriculture, Plant Industries Division, finds that this emergency rule is necessary to preserve a compelling governmental interest in preventing the introduction into Missouri of a destructive pest complex, Thousand Cankers Disease of Walnut, that is lethal to black walnut trees. Thousand Cankers Disease of Walnut (TCD) has recently been discovered to be causing mortality in Walnut (*Juglans spp.*) in at least eight (8) western states. It is particularly lethal to Black Walnut (*Juglans nigra*), which is of tremendous economic importance in Missouri. The Missouri Department of Conservation has estimated that TCD could cause over \$36 million in statewide wood products losses annually, over \$35 million in statewide nut production losses, and over \$65 million in statewide urban street tree losses. Furthermore, this econom-*

*ic impact assessment estimated that over a twenty (20)-year span after introduction, TCD could cause over \$851 million in economic losses to the state of Missouri. Missouri is the nation's leader in black walnut nut production and is home to the world's largest black walnut nut meat producer. Furthermore, Missouri is one (1) of the largest producers of black walnut wood products. Currently, TCD has not been found in the native range of black walnut, but if it spreads to this region, it will cause impactful, long-lasting economic, ecological, and sociological effects. Walnut is currently moving from known infested states to Missouri by multiple means, including forest products trade, nursery stock trade, wood crafter hobbyist exchange, research, and firewood movement due to an abundance of dead and dying walnut wood in western states. Furthermore, walnut mortality in western states, due to this pest complex, is on the rise. It is imperative for the protection of black walnut in its native range, and its related industries, to immediately suspend movement of walnut from infested areas. The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the *Missouri* and *United States Constitutions*. The Department of Agriculture, Plants Industries Division, believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 2, 2010, becomes effective April 12, 2010, and expires January 19, 2011.*

(1) It has been determined that Thousand Cankers Disease of Walnut, a lethal insect-fungal pathogen pest complex of walnut (*Juglans spp.*) has been detected in at least eight (8) western states (Arizona, California, Colorado, Idaho, New Mexico, Oregon, Utah, and Washington). The Walnut Twig Beetle is known from several western states and Mexico; however, the fungus is a newly described fungus with a proposed name of *Geosmithia morbida* sp. nov. Thousand Cankers Disease has not yet been found in Missouri or other states in the general native range of Black Walnut, but its introduction could cause an estimated \$851 million in losses over a twenty (20)-year period to the state economy, as well as inestimable, long-term ecological and sociological impacts. As such, the state entomologist, under the authority of section 263.140, RSMo, of the Missouri Plant Law does now establish a quarantine to prevent the introduction of this pest complex into Missouri and now sets forth the name of this pest complex against which the quarantine is established, the quarantined area, the articles regulated, and the penalty.

(2) The following definitions shall apply to this quarantine:

(A) Bark means the natural bark of a tree, including the ingrown bark around the knots and bark pockets between rings of annual growth and an additional one-half (½)-inch of wood, including the vascular cambium;

(B) Compliance agreement is a written agreement between the state entomologist and a person or entity moving regulated articles from or through a quarantined area into Missouri;

(C) Firewood for the purposes of this quarantine shall be defined as wood, either split or unsplit, in sections less than four feet (4') in length;

(D) State entomologist refers to the Missouri Department of Agriculture Plant Pest Control Bureau Administrator; and

(E) State plant regulatory official refers to the National Plant Board member of the state of origin.

(3) The following is a list of articles, the movement of which is regulated:

(A) The Walnut Twig Beetle, *Pityophthorus juglandis*, in any living stage of development;

(B) The fungal pathogen *Geosmithia morbida* sp. nov.;

(C) Firewood of any non-coniferous (hardwood) species;

(D) All plants and plant parts of the genus *Juglans* including but not limited to nursery stock, budwood, scionwood, green lumber,

and other material living, dead, cut, or fallen, including logs, stumps, roots, branches, and composted and uncomposted chips. Specific exceptions are nuts, nut meats, hulls, processed lumber (one hundred percent (100%) bark-free, kiln-dried with squared edges), and finished wood products without bark, including walnut furniture, instruments, and gun stocks; and

(E) Any article, product, or means of conveyance when it is determined by the state entomologist to present the risk of spread of the Walnut Twig Beetle, *Pityophthorus juglandis*, or the fungal pathogen, *Geosmithia morbida* sp. nov.

(4) Regulated articles from the areas listed below are prohibited entry into Missouri under any circumstances.

- (A) Arizona.
- (B) California.
- (C) Colorado.
- (D) Idaho.
- (E) Nevada.
- (F) New Mexico.
- (G) Oregon.
- (H) Utah.
- (I) Washington.

(J) Any other areas of the United States as determined by the state entomologist to have Thousand Cankers Disease of Walnut.

(5) The following are conditions of movement of regulated articles:

(A) All regulated articles are prohibited movement into or transiting through the state of Missouri;

(B) Articles listed in section (3) originating in an area not known to have Thousand Cankers Disease but transiting through an area known to have Thousand Cankers Disease will be considered to be regulated articles; and

(C) Regulated articles to be used for research purposes, at the discretion of the state entomologist, may move under a compliance agreement between the state entomologist and the Missouri recipient. At minimum, the compliance agreement shall require inspection of the regulated articles at the point of origin, a state phytosanitary certificate issued by the state plant regulatory official in the state of origin, and at least twenty-four (24) hours pre-shipment notification.

(6) Regulated articles transported in violation of this quarantine may be destroyed, or returned to the point of origin, at the discretion of the state entomologist. Common carriers or other carriers, persons, firms, or corporations who transport or move regulated articles in violation of this quarantine and these rules will be subject to the penalties named in section 263.180, RSMo, of the Missouri Plant Law.

(7) These rules are distinct from, and in addition to, any federal statute, regulation, or quarantine order addressing the interstate movement of articles from the known infested areas.

AUTHORITY: sections 263.040, 263.050, and 263.180, RSMo 2000. Emergency rule filed April 2, 2010, effective April 12, 2010, expires Jan. 19, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

Title 7—DEPARTMENT OF TRANSPORTATION
Division 60—Highway Safety Division
Chapter 2—Breath Alcohol Ignition Interlock Device
Certification and Operational Requirements

EMERGENCY AMENDMENT

7 CSR 60-2.010 Definitions. The Missouri Highways and Transportation Commission is amending subparagraph (1)(A)30.B. and adding subparagraph (1)(A)30.C.

PURPOSE: This emergency amendment will amend the definition of “violations reset” to mirror the standards and specifications in 7 CSR 60-2.030 that outline when a violations reset message will occur.

EMERGENCY STATEMENT: This emergency amendment is necessary to eliminate an immediate danger to the public health, safety, and/or welfare created by the current description of when a violations reset message will occur. The current definition of “violations reset” in this rule is inconsistent with the description of when a violations reset message will occur in 7 CSR 60-2.030, and emergency amendments to both sections are necessary in order to ensure that all ignition interlock installers in the state utilize uniform standards for programming devices to display violations reset messages. As a result, the Missouri Highways and Transportation Commission (MHTC) finds an immediate danger to the public health, safety, and/or welfare and finds an emergency amendment is necessary to preserve a compelling governmental interest which requires emergency action.

History: Alcohol is a significant contributing factor in Missouri’s serious traffic crash experience. In Missouri, one (1) person is killed or injured in an alcohol-related traffic crash every one point seven (1.7) hours.

In 2008, the Missouri General Assembly changed Missouri’s ignition interlock laws by requiring proof of installation of an interlock device, with or without a court order, for any person who is found guilty of or pleads guilty to a second or subsequent intoxication-related traffic offense or who is subject to a license suspension, revocation, or denial action as a result of a second or subsequent alcohol-related enforcement contact. That law took effect on July 1, 2009. To implement this requirement, the MHTC amended the administrative rules for Breath Alcohol Ignition Interlock Device Certification and Operational Requirements (7 CSR 60-2.010 through 7 CSR 60-2.060). During this same rulemaking, the MHTC made additional changes to the rules to update their provisions. These updates were effective December 30, 2009.

Recent Developments: Late in December 2009, after the orders of rulemaking were filed amending 7 CSR 60-2.010 and 7 CSR 60-2.030, it was brought to the attention of the MHTC by ignition interlock device manufacturers that the changes made in the administrative rules for Breath Alcohol Ignition Interlock Device Certification and Operational Requirements created a gap, which allows offenders to repeatedly refuse requests for rolling retests before the offender reaches his or her destination. There is also inconsistency between the definition of “violations reset” in 7 CSR 60-2.010 and the description of when a violations reset message will occur in 7 CSR 60-2.030.

Compelling Governmental Interest for this Emergency Amendment: Currently, 7 CSR 60-2.010 and 7 CSR 60-2.030 have conflicting language describing when a violations reset will occur. The current language in 7 CSR 60-2.010(1)(A)30.B. allows for two (2) refusals before a violations reset message is activated, requiring the offender to report to a service center for data to be downloaded from the ignition interlock device and reported to the appropriate agencies. In addition, 7 CSR 60-2.010 does not include the violations reset feature when three (3) samples are above the alcohol setpoint. This emergency amendment is necessary to meet the compelling governmental interest that MHTC have ignition interlock rules that ensure that offenders who are required to use ignition interlock devices cannot circumvent the system by repeatedly refusing to provide a retest breath sample, thereby potentially arriving at his or her destination without providing a retest breath sample. Changes will also ensure that ignition interlock manufacturers and installers have clear and consistent guidelines when programming ignition interlock devices for use in Missouri. In addition, Missouri Department of Transportation (MoDOT) will file a proposed amendment to change section 7 CSR 60-2.030(1)(C)2. to reflect the same requirements.

Ignition interlock manufacturers are required to submit quarterly reports to MHTC, and their quarterly reports demonstrate that some offenders using ignition interlock devices still drive after consuming

alcohol. During the fourth quarter of 2009 (October 1–December 31), there were approximately four thousand six hundred (4,600) ignition interlock devices in use, recording more than thirteen thousand five hundred (13,500) breath tests over the alcohol setpoint of twenty-five thousandths percent (0.025%). The number of ignition interlock breath test refusals is not captured separately in the quarterly reports; however, at MHTC's request for purposes of providing additional information relevant to this emergency amendment, five (5) of the six (6) authorized service providers in the state reported two thousand eight hundred sixty-two (2,862) breath test refusals that were recorded during operation of the vehicle. It is also important to note that breath test refusals are an issue in overall enforcement of impaired driving laws in the state. In fact, the Missouri Department of Revenue estimates that approximately one (1) out of every three (3) Alcohol Influence Reports (AIRs) received from law enforcement for impaired driving arrests is a breath alcohol concentration (BAC) refusal. People who commit impaired driving offenses and who refuse to provide evidential breath tests, as indicated on AIRs, are also likely to refuse a request for a breath test on the ignition interlock device.

Keeping impaired drivers off our roadways is a public safety concern and serves a compelling governmental interest. Once offenders realize there is no immediate consequence to refusing the rolling retest on the ignition interlock device, it is likely a similar number of rolling retest refusals will occur. The MHTC is not aware of any offenders having yet discovered this loophole, but if and when they do, there will be no incentive for offenders to take rolling retests when they are driving shorter distances. These offenders could take an initial breath test, then could consume alcohol and could drive to their destination without providing any retest breath samples. It is necessary to close this rolling retest loophole immediately in order to prevent offenders from continuing to operate their vehicles while refusing rolling retests. The emergency amendment will help prevent accidents caused by these drivers.

In the last three (3) years, eight hundred twenty-four (824) people were killed and three thousand eight hundred eighty-nine (3,889) people received disabling injuries in traffic crashes involving impaired drivers. Ignition interlock devices have been proven in this and other jurisdictions to be an effective means to prevent offenders from driving their vehicles while under the influence of alcohol, thereby greatly reducing the potential for traffic crashes caused by repeat alcohol offenders. The use of ignition interlock devices ensures the safety of the motoring public by monitoring repeat driving while intoxicated (DWI) offenders when their driving privileges are reinstated or while they are driving on a limited or restricted driving privilege.

Proposed Permanent Amended Rule Filed: Also, the MHTC is filing a proposed permanent amended administrative rule regarding this same subject with the secretary of state's office and the Joint Committee on Administrative Rules, which will appear in the May 17, 2010, *Missouri Register* but is not intended to become effective until November 30, 2010.

Because of the lengthy delay in the effective date of the proposed permanent amended administrative rule and the risk to public safety during that period, an emergency amendment is being filed which is limited to the circumstances creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. It is limited to amending the definition of violations reset to mirror the standards and specifications in 7 CSR 60-2.030.

Fairness to All Interested Parties and Support from Industry: MHTC believes this emergency amendment is fair to all interested persons and parties under the circumstances. On January 22, 2010, Missouri Department of Transportation staff met with ignition interlock manufacturers and distributors, Missouri Department of Revenue, and other interested parties as this was the earliest available date for manufacturers and distributors, many of whom are located out of state, to meet in person. The group discussed the current rule and the proposed amendments. All comments received were considered when preparing the proposed emergency and permanent

amended rules.

Effective Date and Duration: MHTC filed this emergency amendment on April 8, 2010, which becomes effective on April 18, 2010, and will expire on November 30, 2010.

(1) Definitions.

(A) The following words and terms as used in these requirements shall have the following meaning:

1. Alcohol retest setpoint—The breath alcohol concentration at which the ignition interlock device is set to lock the ignition for the rolling retest;

2. Alcohol setpoint—The breath alcohol concentration at which the ignition interlock device is set to lock the ignition. The alcohol setpoint is the nominal lock point at which the ignition interlock device is set at the time of calibration;

3. Alveolar air—Deep lung air or alveolar breath, which is the last portion of a prolonged, uninterrupted exhalation;

4. Authorized service provider—A person, company, or authorized franchise who is certified by the state of Missouri to provide breath alcohol ignition interlock devices under sections 577.600–577.614, RSMo;

5. Bogus breath sample—Any gas sample other than an unaltered, undiluted, and unfiltered alveolar air sample from a driver;

6. Breath alcohol concentration (BAC)—The number of grams of alcohol (% weight/volume) per two hundred ten (210) liters of breath;

7. Breath alcohol ignition interlock device (BAIID)—A mechanical unit that is installed in a vehicle which requires the taking of a BAC test prior to the starting of the vehicle and at periodic intervals after the engine has been started. If the unit detects a BAC test result below the alcohol setpoint, the unit will allow the vehicle's ignition switch to start the engine. If the unit detects a BAC test result at or above the alcohol setpoint, the vehicle will be prohibited from starting;

8. Breath sample—Expired human breath containing primarily alveolar air;

9. Calibration—The process which ensures an accurate alcohol concentration reading on a device;

10. Circumvention—An unauthorized, intentional, or overt act or attempt to start, drive, or operate a vehicle equipped with a breath alcohol ignition interlock device without the driver of the vehicle providing a pure breath sample;

11. Device—Breath alcohol ignition interlock device (BAIID);

12. Download—The transfer of information from the interlock device's memory onto disk or other electronic or digital transfer protocol;

13. Emergency service—Unforeseen circumstances in the use and/or operation of a breath alcohol ignition interlock device, not covered by training or otherwise documented, which requires immediate action;

14. Filtered breath sample—A breath sample which has been filtered through a substance in an attempt to remove alcohol from the sample;

15. Independent laboratory—A laboratory which is properly equipped and staffed to conduct laboratory tests on ignition interlock devices;

16. Initial breath test—A breath test required to start a vehicle to ensure that the driver's BAC is below the alcohol setpoint;

17. Installation—Mechanical placement and electrical connection of a breath alcohol ignition interlock device in a vehicle by installers;

18. Installer—A dealer, distributor, supplier, individual, or service center who provides device calibration, installation, and other related activities as required by the authorized service provider;

19. Lockout—The ability of the device to prevent a vehicle's engine from starting unless it is serviced or recalibrated;

20. NHTSA—Federal agency known as the National Highway Traffic Safety Administration;

21. Operator—Any person who operates a vehicle that has a court-ordered or Department of Revenue required breath alcohol ignition interlock device installed;

22. Permanent lockout—A feature of a device in which a vehicle will not start until the device is reset by a device installer;

23. Pure breath sample—Expired human breath containing primarily alveolar air and having a breath alcohol concentration below the alcohol setpoint of twenty-five thousandths (.025);

24. Reinstallation—Replacing a breath alcohol ignition interlock device in a vehicle by an installer after it has been removed for service;

25. Retest—Two (2) additional chances to provide a breath sample below the alcohol setpoint when the first sample failed; or three (3) chances to provide a breath alcohol sample below the alcohol setpoint on the rolling retest;

26. Rolling retest—A subsequent breath test that must be conducted five (5) minutes after starting the vehicle and randomly during each subsequent thirty (30)-minute time period thereafter while the vehicle is in operation;

27. Service lockout—A feature of the breath alcohol ignition interlock device which will not allow a breath test and will not allow the vehicle to start until the device is serviced and recalibrated as required;

28. Tampering—An overt, purposeful attempt to physically alter or disable an ignition interlock device, or disconnect it from its power source, or remove, alter, or deface physical anti-tampering measures, so a driver can start the vehicle without taking and passing an initial breath test;

29. Temporary lockout—A feature of the device which will not allow the vehicle to start for fifteen (15) minutes after three (3) failed attempts to blow a pure breath sample; and

30. Violations reset—A feature of a device in which a service reminder is activated due to one (1) of the following reasons:

A. Two (2) fifteen (15)-minute temporary lockouts within a thirty (30)-day period; *or*

B. Any *[two (2)] three (3)* refusals to provide a retest sample within a thirty (30)-day period~~./~~; *or*

C. Any *three (3)* breath samples above the alcohol setpoint within a thirty (30)-day period.

AUTHORITY: sections 577.600–577.614, RSMo 2000 and RSMo Supp. [2008] 2009 and section 226.130, RSMo 2000. This rule originally filed as 11 CSR 60-2.010. Emergency rule filed Feb. 5, 1996, effective Feb. 15, 1996, expired Aug. 12, 1996. Original rule filed Feb. 16, 1996, effective Aug. 30, 1996. Moved to 7 CSR 60-2.010, effective Aug. 28, 2003. Emergency amendment filed May 7, 2009, effective July 1, 2009, expired Dec. 30, 2009. Amended: Filed May 7, 2009, effective Dec. 30, 2009. Emergency amendment filed April 8, 2010, effective April 18, 2010, expires Nov. 30, 2010. A proposed amendment covering this same material is published in this issue of the Missouri Register.

**Title 7—DEPARTMENT OF TRANSPORTATION
Division 60—Highway Safety Division
Chapter 2—Breath Alcohol Ignition Interlock Device
Certification and Operational Requirements**

EMERGENCY AMENDMENT

7 CSR 60-2.030 Standards and Specifications. The Missouri Highways and Transportation Commission is amending paragraph (1)(C)2.

PURPOSE: This emergency amendment will require an ignition interlock device to be programmed to include a violations reset message when the device registers three (3) refusals to submit to a rolling retest of the person's breath within a thirty (30)-day period.

EMERGENCY STATEMENT: This emergency amendment is neces-

sary to eliminate an immediate danger to the public health, safety, and/or welfare created by the current description of when a violations reset message will occur. Under the rule as currently drafted, a violations reset message, which requires the operator to return the ignition interlock device to the installer for servicing, will only occur after three (3) consecutive refusals by the driver to provide a retest sample. The inadvertent inclusion of the word "consecutive" in the rule allows operators to repeatedly refuse rolling retest requests and to continue to operate the vehicle without being required to return the device to the installer for servicing. As a result, the Missouri Highways and Transportation Commission (MHTC) finds an immediate danger to the public health, safety, and/or welfare and finds an emergency amendment is necessary to preserve a compelling governmental interest which requires emergency action.

History: Alcohol is a significant contributing factor in Missouri's serious traffic crash experience. In Missouri, one (1) person is killed or injured in an alcohol-related traffic crash every one point seven (1.7) hours.

In 2008, the Missouri General Assembly changed Missouri's ignition interlock laws by requiring proof of installation of an interlock device, with or without a court order, for any person who is found guilty of or pleads guilty to a second or subsequent intoxication-related traffic offense or who is subject to a license suspension, revocation, or denial action as a result of a second or subsequent alcohol-related enforcement contact. That law took effect on July 1, 2009. To implement this requirement, the MHTC amended the administrative rules for Breath Alcohol Ignition Interlock Device Certification and Operational Requirements (7 CSR 60-2.010 through 7 CSR 60-2.060). During this same rulemaking, the MHTC made additional changes to the rules to update their provisions. These updates were effective December 30, 2009.

Recent Developments: Late in December 2009, after the orders of rulemaking were filed amending 7 CSR 60-2.010 and 7 CSR 60-2.030, it was brought to the attention of the MHTC that the changes made in the administrative rules for Breath Alcohol Ignition Interlock Device Certification and Operational Requirements created a gap which allows offenders to repeatedly refuse requests for rolling retests before the offender reaches his or her destination. There is also inconsistency between the definition of "violations reset" in 7 CSR 60-2.010 and the description of when a violations reset message will occur in 7 CSR 60-2.030. The violations reset language in 7 CSR 60-2.030 requires three (3) consecutive refusals by the driver to provide a retest sample before the violations reset message will occur. The word "consecutive" should not be included in the rule, because this could allow drivers with interlock devices installed in their vehicles to operate their vehicles without providing retest breath samples and without requiring the drivers to return the vehicle to the installer for servicing.

Compelling Governmental Interest for this Emergency Amendment: Currently, 7 CSR 60-2.010 and 7 CSR 60-2.030 have conflicting language describing when a violations reset will occur. This emergency amendment is necessary to meet the compelling governmental interest that MHTC have ignition interlock rules that strictly enforce the statute without any conflicting language allowing consecutive refusals. The current language in 7 CSR 60-2.030(1)(C)2. allows for three (3) consecutive refusals before a violations reset message is activated, requiring the offender to report to a service center for data to be downloaded from the ignition interlock device and reported to the appropriate agencies. Requiring three (3) consecutive refusals will allow a person to travel for approximately sixty-five (65) minutes and to refuse each of the requests for a retest breath sample. The use of the word "consecutive" inadvertently created a loophole in the current program, and offenders could potentially refuse a retest breath sample each time they operate their vehicles, thereby allowing the offenders to arrive at their destinations without providing a retest breath sample. This amendment will omit the word "consecutive" and will clarify that if three (3) refusals of retest breath samples occur within a thirty (30)-day period, a violations reset message will occur. In addition, Missouri Department of Transportation (MoDOT) will

file a proposed amendment to change subparagraph 7 CSR 60-2.010(1)(A)30.B. to reflect the same requirements.

Ignition interlock manufacturers are required to submit quarterly reports to MHTC, and their quarterly reports demonstrate that some offenders using ignition interlock devices still drive after consuming alcohol. During the fourth quarter of 2009 (October 1–December 31), there were approximately four thousand six hundred (4,600) ignition interlock devices in use, recording more than thirteen thousand five hundred (13,500) breath tests over the alcohol setpoint of twenty-five thousandths percent (0.025%). The number of ignition interlock breath test refusals is not captured separately in the quarterly reports; however, at MHTC's request for purposes of providing additional information relevant to this emergency amendment, five (5) of the six (6) authorized service providers in the state reported two thousand eight hundred sixty-two (2,862) breath test refusals that were recorded during operation of the vehicle. It is also important to note that breath test refusals are an issue in overall enforcement of impaired driving laws in the state. In fact, the Missouri Department of Revenue estimates that approximately one (1) out of every three (3) Alcohol Influence Reports (AIRs) received from law enforcement for impaired driving arrests is a breath alcohol concentration (BAC) refusal. People who commit impaired driving offenses and who refuse to provide evidential breath tests, as indicated on AIRs, are also likely to refuse a request for a breath test on the ignition interlock device.

Keeping impaired drivers off our roadways is a public safety concern and serves a compelling governmental interest. Once offenders realize there is no immediate consequence to refusing the rolling retest on the ignition interlock device, it is likely a similar number of rolling retest refusals will occur. The MHTC is not aware of any offenders having yet discovered this loophole, but if and when they do, there will be no incentive for offenders to take rolling retests when they are driving shorter distances. These offenders could take an initial breath test, then could consume alcohol and could drive to their destination without providing any retest breath samples. It is necessary to close this rolling retest loophole immediately in order to prevent offenders from continuing to operate their vehicles while refusing rolling retests. The emergency amendment will help prevent accidents caused by these drivers.

In the last three (3) years, eight hundred twenty-four (824) people were killed and three thousand eight hundred eighty-nine (3,889) people received disabling injuries in traffic crashes involving impaired drivers. Ignition interlock devices have been proven in this and other jurisdictions to be an effective means to prevent offenders from driving their vehicles while under the influence of alcohol, thereby greatly reducing the potential for traffic crashes caused by repeat alcohol offenders. The use of ignition interlock devices ensures the safety of the motoring public by monitoring repeat driving while intoxicated (DWI) offenders when their driving privileges are reinstated or while they are driving on a limited or restricted driving privilege.

Proposed Permanent Amended Rule Filed: Also, the MHTC is filing a proposed permanent amended administrative rule regarding this same subject with the secretary of state's office and the Joint Committee on Administrative Rules, which will appear in the May 17, 2010, *Missouri Register* but is not intended to become effective until November 30, 2010.

Because of the lengthy delay in the effective date of the proposed permanent amended administrative rule and the risk to public safety during that period, an emergency amendment is being filed which is limited to the circumstances creating the emergency and complies with the protections extended in the *Missouri* and *United States Constitutions*. It is limited to amending the standards and specifications for a violations reset.

Fairness to All Interested Parties and Support from Industry: MHTC believes this emergency amendment is fair to all interested persons and parties under the circumstances. On January 22, 2010, Missouri Department of Transportation staff met with ignition interlock manufacturers and distributors, Missouri Department of Revenue, and other interested parties as this was the earliest avail-

able date for manufacturers and distributors, many of whom are located out of state, to meet in person. The group discussed the current rule and the proposed amendments. All comments received were considered when preparing the proposed emergency and permanent amended rules.

Effective Date and Duration: MHTC filed this emergency amendment on April 8, 2010, which becomes effective on April 18, 2010, and will expire on November 30, 2010.

(1) Standards and Specifications.

(C) A retest feature is required for all devices.

1. A device shall be programmed to require a rolling retest five (5) minutes after the start of the vehicle and randomly during each subsequent thirty (30)-minute time period thereafter as long as the vehicle is in operation.

2. Any breath sample above the alcohol retest setpoint of twenty-five thousandths (.025) or any failure to provide a retest sample within five (5) minutes shall activate the vehicle's horn or other installed alarm and/or cause the vehicle's emergency lights to flash until the engine is shut off by the operator. Three (3) breath samples above the alcohol setpoint or three (3) [consecutive] refusals by the driver to provide a retest sample **within a thirty (30)-day period** will result in a violations reset message.

3. The violations reset message shall instruct the operator to return the device to the installer for servicing within five (5) working days.

A. As the result of a reset message, the installer must download and calibrate the device.

B. The installer must report all violations to the court-ordered supervising authority within three (3) working days.

4. If the vehicle is not returned to the installer within five (5) working days, the device shall cause the vehicle to enter a permanent lockout condition.

AUTHORITY: sections 577.600–577.614, RSMo 2000 and RSMo Supp. [2008] 2009 and section 226.130, RSMo 2000. This rule originally filed as 11 CSR 60-2.030. Emergency rule filed Feb. 5, 1996, effective Feb. 15, 1996, expired Aug. 12, 1996. Original rule filed Feb. 16, 1996, effective Aug. 30, 1996. Moved to 7 CSR 60-2.030, effective Aug. 28, 2003. Emergency amendment filed May 7, 2009, effective July 1, 2009, expired Dec. 30, 2009. Amended: Filed May 7, 2009, effective Dec. 30, 2009. Emergency amendment filed April 8, 2010, effective April 18, 2010, expires Nov. 30, 2010. A proposed amendment covering this same material is published in this issue of the *Missouri Register*.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Division 1140—Division of Finance Chapter 30—Mortgage Broker Rules

EMERGENCY RESCISSION

20 CSR 1140-30.010 Definitions. This rule established definitions for use in Chapter 20 CSR 1140-30 Mortgage Broker Rules.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the *Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act)*, provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the *SAFE Act* lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in that the prior definitions did not pertain nor contain those definitions applicable to both mortgage brokers and mortgage loan originators now required by virtue of the passage of HB 382 in 2009. This rule is also being rescinded in order to bring Missouri into compliance with

Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed

the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.010. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 140-30.010, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the **Missouri Register**.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.030 Licensing. This rule established guidelines for the licensing of mortgage brokers.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators and remove section (6) in that section 443.837, RSMo, was repealed by HB 382, 2009. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association,

Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.030. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.030, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.040 Operations and Supervision. This rule established operations and supervision guidelines concerning net worth, audit reports, escrow, change in business activities, change of ownership, bonding requirements, servicing, and full service offices.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter and to include guidelines for the licensing of mortgage loan originators. Furthermore, HB 382, 2009, did away with auditing and minimum net worth requirements and fundamentally changed the bonding requirements. Since the time the rule went into effect, section 339.600, RSMo, et seq., was repealed in 2004 by HB 985. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage

Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rescission, and in

order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.040. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.040, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.050 Annual Report of Mortgage Brokerage Activity and Mortgage Servicing Activity. This rule declared requirements for annual reports by mortgage brokers.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, included additional and different annual reporting standards. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban

Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage

fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.050. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.050, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the **Missouri Register**.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.070 Advertising. This rule created general guidelines for advertising practices by mortgage brokers.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, included sufficiently detailed provisions pertaining to advertising. This rule is also being rescinded in order to bring Missouri into compliance with Section

1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed

the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.070. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.070, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules
EMERGENCY RESCISSION**

20 CSR 1140-30.080 Loan Brokerage Practices. This rule established general practices guidelines for mortgage brokers in the areas of agreements and disclosures.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, either modified or included most of the provisions included in 20 CSR 1140-30.080. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain

revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri** and **United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.080. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.080, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the **Missouri Register**.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.090 Loan Application Practices. This rule stated the guidelines for the various loan application procedures of mortgage brokers.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, either modified or included most of the provisions included in 20 CSR 1140-30.090. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri

Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under

the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.090. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 140-30.090, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rescission covering this same material is published in this issue of the **Missouri Register**.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.100 General Practices. This rule established requirements for certain practices by mortgage brokers in the areas of notices to joint borrowers, changes in loans in process, use of unauthorized brokers or lenders, and the general requirement of good faith.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, either modified or included most of the provisions included in 20 CSR 1140-30.100. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to

adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been

embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. The division believes an emergency rescission is necessary based on the above as well as to avoid potential inconsistencies that could result from having two (2) different sets of rules. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rescission, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rescission is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rescission, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

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**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.110 Commitment and Closing Practices. This rule set standards for mortgage brokers' commitments and closings.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to

better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, either modified or included most of the provisions included in 20 CSR 1140-30.110. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consider-

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**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker Rules**

EMERGENCY RESCISSION

20 CSR 1140-30.120 Exemption Guidelines. This rule set forth the guidelines for exemption from the licensing requirements for mortgage brokers.

PURPOSE: Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act), provides that states that fail to adopt a licensing and registration law for mortgage loan originators that meet the minimum standards specified in the SAFE Act lose the authority to regulate and license mortgage loan originators with the Department of Housing and Urban Development taking over. This rule is being rescinded in order to better organize the chapter to include guidelines for the licensing of mortgage loan originators, and HB 382, 2009, eliminated most exemptions contained in the previous law. This rule is also being rescinded in order to bring Missouri into compliance with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

EMERGENCY STATEMENT: This emergency rescission is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured

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housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rescission is fair to all interested persons and parties under the circumstances. This emergency rescission was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

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**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 1140—Division of Finance

Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.200 Definitions

PURPOSE: This rule establishes definitions for use in Chapter 20 CSR 1140-30 Mortgage Broker and Originator Rules.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of

Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division

provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) The definitions in sections 443.701 to 443.893, RSMo, shall apply to these rules. In addition, the terms listed below shall have the following meanings:

(A) "Act," the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act;

(B) "Broker" shall have the same meaning as Residential Mortgage Loan Broker set forth in section 443.703.1(31), RSMo;

(C) "Control" means the power to, directly or indirectly, affect the voting interest of twenty-five percent (25%) or more of any class of the outstanding voting shares, or partnership interest or limited liability company interest, of a broker; and

(D) "First tier subsidiary" shall include any corporation or limited liability company which is majority owned and controlled by a federally-insured and regulated depository institution.

AUTHORITY: sections 443.703.2, 443.709, 443.711, 443.725, 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 1140—Division of Finance

Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.210 Licensing of Mortgage Loan Originators

PURPOSE: This rule establishes guidelines for the licensing of mortgage loan originators.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed

the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage

Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the Missouri Register. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Initial Licensing. Application for an initial Mortgage Loan Originator license shall be made within the procedures established by the Nationwide Mortgage Licensing System and Registry (NMLSR).

(2) Incomplete Applications. Failure to meet a request for additional information within ten (10) business days may result in denial of the application. A denial under such circumstances shall not affect subsequent applications filed with the appropriate fee.

(3) License Renewal and Expiration. Application for renewal shall be made within the procedures established by NMLSR. A renewal application not received by the division prior to December 1 of any year cannot be assured of issuance prior to January 1, at which time the license will be considered to be expired. Any license which is not renewed prior to December 31 may require the applicant to file a reinstatement application as provided for in these rules.

(A) The director may not renew a Mortgage Loan Originator license unless all required fees, administrative penalties owed to the director, and any refunds ordered by the director to be returned to consumers have been paid.

(4) Reinstatement of License. The license of a mortgage loan originator that expires for failure to satisfy the minimum standards for renewal or does not allow for sufficient lead time for review and processing of an application may be reinstated if the licensee meets the following requirements:

(A) The licensee must submit a request for reinstatement through the NMLSR;

(B) All continuing education courses and any other requirements for the license renewal for the year in which the license expired must be completed; and

(C) The licensee must pay the applicable licensing, reinstatement, and late fees/penalties.

1. If the mortgage loan originator whose license has expired fails to meet the requirements for reinstatement specified in this section and submits a reinstatement filing within the parameters established by NMLSR, the mortgage loan originator must apply for a new license and meet the requirements for licensure in effect at that time.

2. The director may waive any late filing penalty or fee for a

licensed mortgage loan originator on active military duty serving outside of Missouri.

(5) Fees.

(A) Initial and renewal applications shall be made through the NMLSR and shall be accompanied by the applicable fee, which shall be set by the director from time-to-time, not to exceed two hundred fifty dollars (\$250). Said fees are not refundable.

(B) For each duplicate original license issued, the director shall collect a duplicate original license fee not to exceed one hundred fifty dollars (\$150).

(C) For each amended license issued, the director shall collect an amended original license fee not to exceed one hundred fifty dollars (\$150).

(D) A late fee, not to exceed one hundred fifty dollars (\$150), may be assessed to any mortgage loan originator who fails to submit a renewal application by December 31 of each year.

AUTHORITY: sections 443.709, 443.711, 443.725, 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Division 1140—Division of Finance Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.220 Self-Reporting Requirements

PURPOSE: This rule establishes self-reporting requirements for mortgage loan originators, brokers, or any of a broker's directors, principal stockholders, members, partners, or individuals who influence management.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking,

staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing

this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) A mortgage loan originator, broker, or any of a broker's directors, principal stockholders, members, partners, or individuals who influence management (hereinafter collectively referred to as "licensee" for the purpose of this rule) shall notify the director in writing within five (5) days of the occurrence of any of the following events:

(A) Licensee files for bankruptcy protection or is subjected to an involuntary bankruptcy proceeding;

(B) Institution by any state or other jurisdiction of a license denial, cease and desist, suspension or revocation procedure, or other formal or informal regulatory action against a licensee;

(C) Institution of an action by the Missouri Attorney General or other enforcer of the consumer protection laws of any jurisdiction to enforce consumer protection laws against a licensee;

(D) Having a license suspended, terminated, or otherwise prohibited from participating in a federal or state program;

(E) Licensee is suspended, terminated, or otherwise prohibited as an approved lender or seller/servicer by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Department of Housing and Urban Development, Department of Veterans Affairs, or any other federal or state agency or program;

(F) The entry of a judgment against a licensee;

(G) A licensee is convicted of or enters a plea of guilty or *nolo contendere* to a felony or misdemeanor, excluding traffic violations, in a domestic, foreign, or military court. For the purposes of this requirement, a licensee need not report traffic or driving violations to the director so long as said violations are not felonies;

(H) The entry of a tax or other government lien upon the property of a licensee; or

(I) Revocation or suspension of a licensee's professional or business license by any state or jurisdiction. An agreement to surrender a license and/or not to operate in an occupation in which a professional license is required shall be considered a revocation for the purposes of this rule.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.230 Challenges to Information Submitted to NMLSR

PURPOSE: This rule establishes the procedures by which a mortgage loan originator can challenge information submitted by the director to the Nationwide Mortgage Licensing System and Registry.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter

of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) A mortgage loan originator may challenge the accuracy of information entered by the director to the Nationwide Mortgage Licensing System and Registry (NMLSR) regarding the mortgage loan originator by filing a written appeal with the director. The appeal shall specify what information is alleged to be in error and the basis of said belief. The appeal shall also include any documentation believed to support the mortgage loan originator's claim. The director shall review the appeal and notify the mortgage loan originator of the director's decision within thirty (30) days of receipt of the appeal, which shall represent the director's final decision.

AUTHORITY: sections 443.727, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010,

expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 1140—Division of Finance

Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.240 Operations and Supervision of Residential Mortgage Loan Brokers

PURPOSE: This rule establishes procedures and guidelines for the licensing of residential mortgage loan brokers and the fees associated therewith.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules

were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Initial Licensing. Applications for an initial broker's license shall

be in a form prescribed by the director and shall include a nonrefundable license investigation fee which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500).

(A) Failure to meet a request for additional information within ten (10) business days may result in denial of the application. A denial under such circumstances shall not affect subsequent applications filed with the appropriate investigation fee.

(B) Upon approval of an initial broker's license, the director shall collect a nonrefundable license fee, which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500). The license fee shall cover the licensing of the broker's main office in Missouri. Additional licensing fees for the establishment of branch locations will apply as provided for in these rules.

(2) **Renewal Applications.** Applications for renewal of a broker's license shall be in a form prescribed by the director and may require a nonrefundable license investigation fee which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500). Such completed renewal application shall be received by the director at least sixty (60) days prior to such licensee's biennial renewal date. Upon approval of a biennial renewal of a broker's license, the director shall collect a nonrefundable renewal license fee, which shall be set from time-to-time by the director, not to exceed three thousand dollars (\$3,000), one half (½) of which is to be paid upon issuance of the license, and the balance one (1) year thereafter. Failure by an existing licensee to submit a renewal application and any applicable investigation fees to the director at least sixty (60) days in advance of a licensee's biennial renewal date may not allow sufficient time for the director to process the licensee's renewal application and may result in the expiration of licensee's existing license.

(3) **Fees.** The director may assess the reasonable costs of an investigation incurred by the division that are outside the normal expense of any annual or special examination or any other costs incurred by the division as a result of a licensee's violation of sections 443.701 to 443.893, RSMo, or these rules.

(A) For each duplicate original license issued, the director shall collect a duplicate original license fee not to exceed one hundred fifty dollars (\$150).

(B) For each amended license issued, the director shall collect an amended original license fee not to exceed one hundred fifty dollars (\$150).

(C) For each notice of change of officers or directors or change of name or address, the director shall collect a fee not to exceed one hundred fifty dollars (\$150). A broker must report any change in directors or principal officers within thirty (30) days to the director.

(D) Each licensee who intends to operate and maintain an additional full-service office shall file a Notice of Intent to Establish an Additional Full-Service Office on a form prescribed by the director, thirty (30) days prior to the proposed operation; the director shall collect a fee not to exceed one hundred fifty dollars (\$150) at the time the notice is filed.

AUTHORITY: sections 443.821, 443.825, 443.827, 443.833, 443.839, 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.250 Change in Business Activities

PURPOSE: This rule establishes procedures and guidelines for mortgage loan brokers to follow in the event there is a change in their respective business activities and the fees and notice requirements associated therewith.

*EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter*

of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) A broker shall return his/her license to the director within ten (10) days upon a licensee closing a full-service office or his/her decision to discontinue brokering, originating, or servicing.

(2) Prior to a change of ownership or control, a broker and/or a prospective purchaser shall submit an application on a form prescribed by the director, which shall be submitted with the applicable fee not to exceed one hundred fifty dollars (\$150) at least forty-five (45) days prior to the proposed change. All proposed changes must be approved by the director. Failure to obtain the director's prior approval may result in administrative action against the broker's license.

(3) A broker shall file an Application for Change of Name or Address, with the applicable fee, ten (10) business days in advance, on a form prescribed by the director. The name change shall be approved unless deceptively similar to another name or is otherwise prohibited by law.

AUTHORITY: sections 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.260 Full-Service Office Requirement

PURPOSE: This rule establishes operations and supervision guidelines concerning the full in-state service office requirement.

*EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also*

met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules

filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Each broker shall maintain at least one (1) full-service office located in Missouri consistent with sections 443.703.1(12) and 443.857, RSMo. At a minimum, each Missouri office must be staffed by one (1) supervised licensed mortgage loan originator and such staff as is needed to efficiently administer the tasks mandated by section 443.703.1(12), RSMo. The office location shall have a street address and shall not be a post office box or similar designation and shall be the address where the director is to send all correspondence, official notices, and orders; the broker shall be responsible for keeping the director informed of any changes in said address. In determining whether a broker handles such matters in a reasonably adequate manner, the director may consider consumer complaints received regarding said broker, information obtained from examinations conducted by the division, and reports filed with the division. If it is determined that a broker is not in compliance with section 443.857, RSMo, the director shall notify the broker in writing detailing the requirements to achieve compliance, along with a reasonable deadline.

(A) Each full-service office shall also comply with any applicable local zoning ordinances and shall post any occupational licenses required by law or regulation.

AUTHORITY: sections 443.703.1(12), 443.857, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.270 Maintenance of Records

PURPOSE: This rule establishes guidelines for the maintenance of required records to be kept by residential mortgage loan brokers and the penalty for failure to do so.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed

the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and

Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Each broker shall maintain an application log and shall produce it for examination by the director. It shall contain at least the following concerning each residential mortgage loan application received during the previous thirty-six (36) months:

(A) Full name of all applicants;

(B) Date of application;

(C) Name of the mortgage loan originator responsible for the loan application whose name and Nationwide Mortgage Licensing System and Registry (NMLSR) unique identifier also appears on the application;

(D) Disposition of the mortgage loan application and date of disposition. The log shall indicate the result of the loan transaction. The disposition of the application shall be categorized as one (1) of the following: loan closed, loan denied, application withdrawn, application in process, or other explanation;

(E) Address of the property;

(F) Amount of the loan; and

(G) The terms of the loan and/or loan program.

(2) An application log shall be maintained at the broker's main Missouri office. The log shall be kept current. Records may be kept at a branch, but the broker's main Missouri office must have a current log updated no less frequently than every seven (7) days. The failure to enter said information to the log within seven (7) days from the date of the occurrence of the event required to be recorded in the log shall be deemed a failure to keep the log current.

(3) Failure to maintain an application log or to keep the log current may be grounds for suspension or revocation of the license or other appropriate administrative action and may subject the broker to fines authorized by the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the **Missouri Register**.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.280 Authorized Advance Fees and Escrow Requirements

PURPOSE: This rule establishes general practices and guidelines for residential mortgage loan brokers with regard to what advance fees may be collected and placement of said fees. This rule also sets forth guidelines for the collection and disbursement of rate-lock fees.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association,

Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) A broker shall not require a borrower to pay any fees or charges prior to the loan closing, except for—

(A) The actual and necessary charges of third parties needed to process the application, which shall be administered pursuant to this

rule; and

(B) A rate-lock fee, provided that the written rate-lock fee agreement signed by both the borrower and the proposed lender includes the following terms:

1. The expiration date of the fee agreement;
2. The amount of the loan;
3. The maximum interest rate and maximum discount (points);
4. The term of the loan;
5. The lender is able to perform under the terms of the fee agreement; and
6. Subject to verification, the information submitted by the borrower indicates that the loan will be approved in accordance with the fee agreement.

(2) Refunds on Failure to Close. The rate-lock fee must be refunded if the loan does not close in accordance with the fee agreement, except that the fee may be retained upon the lender's ability to demonstrate to the director any of the following reasons: the borrower withdrew the loan application; made a material misrepresentation on the loan application; or failed to provide documentation necessary to the processing or closing of the loan, such documents having been timely requested. When the fee is to be retained, the lender shall send a written notice to the borrower stating the reason for retaining the fee.

(3) Brokers Failure to Close. If a residential mortgage loan is not closed through no fault of the applicant, all the charges shall be refunded to the borrower, except to the extent such charges were incurred in good faith by the lender on behalf of the borrower for third-party services.

(4) Nothing in these rules shall be construed as to allow a broker, that is not a lender, to charge a fee for a rate-lock agreement or otherwise enter into a rate-lock agreement.

(5) Escrow. Brokers, not subject to the Department of Housing and Urban Development escrow regulations, who receive funds that are to be used for actual and necessary third-party expenses needed to process the application shall place said funds with one (1) of the following no later than five (5) days after receipt:

(A) A title insurer, title agency, or title agent not affiliated with a title agency that is authorized to act as an escrow, security, settlement, or closing agent pursuant to Chapter 381, RSMo;

(B) An unaffiliated depository institution as defined in section 443.703.1(5), RSMo, or first-tier subsidiary or service corporation thereof that is acting as an escrow agent as defined by section 443.703.1(9), RSMo; or

(C) A licensed attorney.

AUTHORITY: sections 443.865, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 1140—Division of Finance

Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.290 In-State Office Waiver For Servicers

PURPOSE: This rule establishes the procedures and qualifications needed for servicers to obtain a waiver for the full in-state service office requirement.

*EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and*

approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Procedures to Obtain Waiver. Prior to the issuance of a waiver pursuant to section 443.812.5, RSMo, of the requirement of maintaining a full-service office in Missouri, an applicant shall obtain a certificate of authority from the Missouri secretary of state. Furthermore, an applicant shall file with the license application an irrevocable consent in a form to be determined by the director, duly acknowledged, that provides suits and actions that may be commenced against the applicant in the courts of this state, and, should it be necessary to bring an action against the applicant, applicant agrees that venue shall lie in Cole County, Missouri.

(2) Qualifications for Waiver. For the purposes of determining if a loan servicer qualifies for the waiver set forth in section 443.812.5, RSMo, the term "primarily engaged in servicing residential mortgage loans" shall be defined as a residential loan servicer that derives seventy-five percent (75%) or more of its gross income from Missouri from residential loan servicing.

AUTHORITY: sections 443.812.5, 443.857, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April

18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the *Missouri Register*.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.300 Annual Report

PURPOSE: This rule establishes procedures and requirements for residential mortgage loan brokers to follow in submitting their annual reports to the director.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the *Federal Register*, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain

revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the *Missouri Register*. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the *Missouri and United States Constitutions*. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Filing Requirements. By March 1 of each year, each broker must file an Annual Report of Residential Mortgage Loan Broker Activity

that contains the information mandated by section 443.885, RSMo. If any category(ies) requested has nothing to report, then the proper response is "none."

(A) The Annual Report of Residential Mortgage Loan Broker Activity shall include the names of the mortgage loan originators and the dollar amount originated by each individual. It shall also include the dollar amount of the loans and with whom the broker had mortgage brokerage agreements including the aggregate dollar amount of loans brokered, funded, and serviced in the state of Missouri for the previous year. Each broker that reports any default or foreclosure shall also furnish the name of the lender who originated the loan.

(B) Brokers that file a Home Mortgage Disclosure Act Report may file a copy thereof in lieu of the report described herein.

(C) Each annual report shall be accompanied by an affidavit, attesting to truthfulness of the information contained therein.

AUTHORITY: sections 443.869, 443.885, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and Originator Rules**

EMERGENCY RULE

20 CSR 1140-30.310 Bonding Requirements

PURPOSE: This rule establishes bonding procedures and requirements for residential mortgage loan brokers to follow.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701-443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and

October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the **Federal Register**, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association,

and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Annual Review and Initial Schedule. The principal amount of the surety bond shall be determined annually by the information contained in the broker's Annual Report of Residential Mortgage Loan Broker Activity and shall be based on the dollar amount of loans brokered, funded, and serviced in the state of Missouri for the previous year. In the event a broker brokers, funds, and services residential mortgage loans, or any combination thereof, the principal amount of the surety bond shall be based on the category that results in the highest bonding amount. The initial bonding schedule is as follows:

Dollar Amount of Loans Brokered/Funded/Serviceed For Previous Year	Bond Amounts For Loans Brokered	Bond Amounts For Loans Funded	Bond Amounts For Loans Serviceed
\$7,500,000 or less	\$50,000	\$50,000	\$50,000
\$7,500,001–\$15,000,000	\$50,000	\$100,000	\$100,000
\$15,000,001–\$22,500,000	\$75,000	\$150,000	\$150,000
\$22,500,001–\$30,000,000	\$100,000	\$200,000	\$200,000
\$30,000,001–\$45,000,000	\$150,000	\$300,000	\$300,000
\$45,000,001–\$60,000,000	\$200,000	\$400,000	\$400,000
\$60,000,001 or more	\$250,000	\$500,000	\$500,000

(A) Any increased surety bond as required above shall be filed with the director on or before May 1. Failure to do so shall be grounds for summary suspension of a broker's license.

(B) Surety bonds provided to the director are deemed to be records of the division and will not be released or returned to licensees or to the entities by which they were issued.

AUTHORITY: sections 443.731, 443.849, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the Missouri Register.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 1140—Division of Finance

Chapter 30—Mortgage Broker and Originator Rules

EMERGENCY RULE

20 CSR 1140-30.320 Exempt List

PURPOSE: This rule establishes procedures and requirements for exempt companies to register with the director.

EMERGENCY STATEMENT: This emergency rule is necessary to protect a compelling governmental interest as the provisions related to the registration and licensing of mortgage loan originators are required for the state to comply with Section 1508 of Public Law 110-289, Title V, the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act). The Act was signed into law by President George Bush on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The Act directed states to adopt a licensing and registration law for loan originators that met the minimum standards specified in the SAFE Act, within one (1) year of its signing. The legislation also provided that should a state fail 1) to adopt such a licensing system or 2) meet the minimum standards for licensing, the United States Department of Housing and Urban Development (HUD) would step in and do so. Prior to the passage of the SAFE Act, Missouri had not previously licensed mortgage loan originators, only non-exempt mortgage companies. In response to the passage of the SAFE Act, the Missouri Legislature passed HB 382 (codified at sections 443.701–443.893, RSMo), 2009, known as the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Governor Nixon signed the bill on July 8, 2009, and it went into effect upon signing based

on the emergency clause included in the bill. During the weeks immediately following, division staff compiled informational packets on specific areas of potential regulation for the director and deputy director's review. These packets included laws and regulations of other states that had licensed mortgage loan originators prior to the SAFE Act, legal analysis, and staff recommendations. Once the division determined the specific areas to address through rulemaking, staff was directed to start drafting the language for the rules. In the interim, a meeting with the Missouri Association of Mortgage Brokers was scheduled for and held on August 18, 2009. Meetings with the Missouri Manufactured Housing Association and Missouri Mortgage Bankers Association followed on September 1, 2009, and October 6, 2009, respectively. During this time, numerous internal drafts were circulated within the division for review and comment. Division staff met with members of the Missouri Association of Mortgage Brokers on November 17, 2009, in St. Charles. On December 15, 2009, HUD published its proposed rules in the Federal Register, which was reviewed by division staff in order to ensure its draft regulations were in line with the intent and terms of the SAFE Act. Throughout December, the division worked to finalize its internal draft. The division met with the Missouri Manufactured Housing Association again on January 6, 2010. Division staff also met with members of the Kansas City mortgage broker and mortgage banking industries on January 12 and 21, 2010, respectively. In late January, the division, as proscribed by section 443.816.1, RSMo, presented its rules to the Residential Mortgage Board (board) for its consideration. The board held a public meeting in Columbia, Missouri, on February 3, 2010, at which time the text of the rules were discussed and the board directed the division to make certain revisions to the rules. The changes were made, and copies of the rules were sent to the Missouri Manufactured Housing Association, Missouri Association of Mortgage Brokers, and the Missouri Mortgage Bankers Association. Thereafter, the division again met with the Missouri Association of Mortgage Brokers and Missouri Mortgage Bankers Association on February 10 and 25, 2010, respectively, to discuss the rules and topics of concern. The division believed that these industry groups had raised several meritorious points. Following both meetings, the division worked to incorporate these ideas into the latest draft of the rules for the board's consideration. On March 8, 2010, the division met with the St. Louis Chapter of the National Association of Mortgage Professionals for Women to discuss the rules and topics of concern. On March 10, 2010, the division held an open forum in Jefferson City for current and potential future Missouri licensees to discuss the rules and topics of concern. Once again, the division made additional changes to the rules. Lastly, the board met once again on March 30, 2010, and directed the division to make additional changes to the rules and

approved the final version of the rules that were to be filed with the secretary of state. Section 443.706.2, RSMo, provides that all individual mortgage loan originators must be licensed by July 31, 2010. By enacting the following rules, Missouri will have provisions in place that meet the standards and time frames set forth in the SAFE Act. If the state does not enact the following rules, it will be considered out-of-compliance with federal requirements and may lose its authority to regulate mortgage loan originators. In such an event, HUD would then regulate mortgage loan originators in place of the state. The Division of Finance believes state-based regulation is preferable to federal regulation because strong consumer protections have long been embedded in the state-based regulatory structure. If the rules are not allowed to be filed on an emergency basis, the division is concerned that such failure: 1) would unduly expose Missourians to mortgage fraud, which was one (1) of the major contributing factors to the mortgage crisis; 2) will impede its ability to orderly transition mortgage loan originators seeking licensure in Missouri onto the national mortgage database and to meaningfully enforce the mandates bestowed upon it by the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act; and 3) risk HUD taking over the regulation and licensing of mortgage loan originators in Missouri. Therefore, the division finds a compelling governmental interest which requires this emergency action. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. As was noted earlier, in developing this emergency rule, and in order to assure fairness to all interested persons and parties under the circumstances, the division, prior to and contemporaneous with the drafting of the proposed rules, has met and been in contact with members and representatives of the Missouri Association of Mortgage Brokers, the Missouri Mortgage Bankers Association, and the Missouri Manufactured Housing Association since last year. The division believes these associations are the largest representatives for the mortgage industry in Missouri. Furthermore, the division provided the associations' representatives with a copy of the proposed rules in February for their review and comment. The division also provided an advance copy of the proposed rules to Beyond Housing, which is a provider of housing and support services for low-income families and homeowners in the St. Louis area. Since that time, the division has received numerous comments, questions, and suggestions, some of which have been incorporated into the proposed rules filed herewith. The division believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 5, 2010, becomes effective April 18, 2010, and expires January 26, 2011.

(1) Registration. The director requests that all exempt entities file a letter disclosing exempt status and the reason therefore at the Division of Finance, Residential Mortgage Section, PO Box 716, Jefferson City, MO 65102. There shall be no fee for said filing.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expires Jan. 26, 2011. A proposed rule covering this same material is published in this issue of the **Missouri Register**.

The Secretary of State shall publish all executive orders beginning January 1, 2003, pursuant to section 536.035.2, RSMo Supp. 2009.

EXECUTIVE ORDER 10-20

WHEREAS, the American Civil War was an event of international importance from 1861 to 1865, affecting all aspects of life in Missouri during that period; and

WHEREAS, Missouri experienced firsthand some of the most widespread, prolonged, and destructive fighting of the Civil War, with more than 1,162 engagements fought on her soil, some 160,000 Missourians fighting on both sides, and an average of 122 residents lost for every county in the State; and

WHEREAS, Missouri's role as a slave state and the lasting legacy of the Civil War continue to influence and shape our state in many ways; and

WHEREAS, from 2011 through 2015, our nation will acknowledge the 150th anniversary of the Civil War; and

WHEREAS, the Sesquicentennial of the Civil War presents a significant opportunity for Missourians to advance our understanding of our complex past; to commemorate important events that occurred in Missouri during the Civil War; and to reflect on its lasting impact on our citizens, our culture, and our landscapes.

NOW THEREFORE, I, Jeremiah W. (Jay) Nixon, Governor of the State of Missouri, by virtue of the authority vested in me by the Constitution and the laws of the State of Missouri, do hereby establish and constitute the Missouri Civil War Sesquicentennial Commission, as follows:

The composition of the Commission shall be: the Governor or his designee; the Secretary of State or her designee; the directors or their designees of the Department of Natural Resources, the Division of Tourism, the Department of Elementary and Secondary Education, the Department of Transportation, and the Missouri National Guard; the director or his designee of the State Historical Society of Missouri; ten persons appointed by the Governor, including, without limitation, educators, historians, and laypersons with a demonstrated interest in and knowledge of the Civil War in Missouri and representatives of the hospitality and tourism industry; and such additional members as the Governor may from time to time appoint. To the extent practicable, members shall be representative of the demographic composition of the state. The Governor will designate two members of the Commission as co-chairs.

The Commission's purpose is to increase awareness and understanding of Missouri's role in the Civil War; to encourage civic, historical, educational, economic, and other entities throughout Missouri to organize and participate in activities to commemorate the Sesquicentennial of the Civil War; and to foster an inclusive spirit of reconciliation that appropriately recognizes the experiences and points of view of all people affected by the Civil War and its aftermath.

The Commission will recommend to the Governor and the citizens of Missouri effective means and activities by which to observe the Sesquicentennial of the Civil War in Missouri.

The Commission will promote public awareness of the historical significance of Missouri in the Civil War, as well as cultural tourism in and around the state of Missouri in relation to the Civil War and its legacies.

The Commission will serve as the official liaison between federal agencies, other states, and public and private Sesquicentennial committees to coordinate and plan activities that foster recognition and understanding of the Civil War in Missouri.

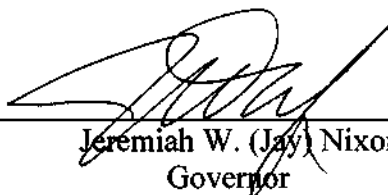
Members of the Commission shall serve without compensation, except for reimbursement for reasonable and necessary expenses incurred in the discharge of their duties in accordance with the rules and regulations of the Office of Administration, to the extent that funds are available for such purpose. Staff assistance for the Commission shall be provided by the Department of Natural Resources.

The Commission will report to the Governor in December of each year, until expiration of the Commission on December 31, 2015.

Executive Order 08-09 is hereby superseded and replaced by this Executive Order.




IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, on this 2nd day of April, 2010.



Jeremiah W. (Jay) Nixon
Governor

ATTEST:



Robin Carnahan
Secretary of State