



Rules of Department of Commerce and Insurance

Division 1140—Division of Finance Chapter 22—Association’s Savings Accounts

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 1140—Division of Finance
Chapter 22—Association's Savings
Accounts**

**20 CSR 1140-22.010 Distribution of
Earnings**

PURPOSE: This rule authorizes associations to determine the time for distribution and the rate of earnings to be paid on savings accounts.

(1) An association may distribute, calculate, determine and pay earnings upon any savings account on any basis available to a federal association.

(2) Time of Distribution. An association may distribute earnings on savings accounts or designated classes thereof, as provided in its charter and bylaws and the terms of the account.

(3) Withdrawal of Interest. An association, after adoption by its board of directors of a resolution so providing and while such resolution remains in effect, may permit a depositor to withdraw interest credited to a time certificate of deposit or account during any term at any time during such term without penalty. If, however, the deposit or account is renewed automatically and the rate of interest paid or the maturity period of the renewal term is different, interest in the account at the commencement of the renewal term shall be treated as principal and only interest for the renewal term may be paid any time without penalty during such term.

(4) Grace Period With Respect to Withdrawals. An association may compute earnings on amounts withdrawn from its insured accounts having an indefinite term during the last ten (10) business days of any period for which earnings are distributable as if the withdrawal had been made immediately after the close of that period.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.010. This rule previously filed as 4 CSR 140-22.010. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Amended: Filed Oct. 15, 1980, effective Jan. 12, 1981. Rescinded and readopted: Filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-22.010, effective July 6, 1994. Moved to 20 CSR 1140-22.010, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*

**20 CSR 1140-22.020 Savings and Deposit
Accounts**

PURPOSE: This rule authorizes associations to issue savings accounts or certificates.

(1) An association may accept savings accounts as determined by its board of directors and as permitted by federal or Missouri law. Each account shall be evidenced by a passbook or certificate or other evidence of account in a form approved by the board of directors of the association.

(2) An association may accept noninterest bearing demand accounts from those persons or organizations that have a business, corporate, commercial or agricultural loan relationship with the association and may also accept demand accounts from a commercial, corporate, business or agricultural entity for the sole purpose of effectuating payments by a nonbusiness customer. An association may extend secured or unsecured credit in the form of overdraft privileges in connection with such demand accounts.

(3) For purposes of section (2) of this regulation—

(A) A business, corporate, commercial or agricultural loan shall include any loan other than a home loan on borrower-occupied property or a loan to a natural person for personal, family or household use;

(B) A loan relationship is established if there is a line-of-credit, any outstanding loan (including a finance lease) or a previous loan and a reasonable expectation of the renewal of a lending relationship based on the usual and customary activities and needs of the borrower; and

(C) The extension of credit in the form of overdraft privileges in connection with the opening of a demand account may be deemed a business, corporate, commercial or agricultural loan relationship.

(4) In addition to the accounts authorized by this regulation, an association may accept any account as may be authorized from time-to-time for federal associations.

AUTHORITY: sections 369.204 and 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.020. This rule previously filed as 4 CSR 140-22.020. Original rule filed Oct. 4, 1974, effective Oct. 14, 1974. Amended: Filed June 23, 1975, effective July 3, 1975. Emergency amendment filed Dec.*

14, 1982, effective Dec. 24, 1982, expired March 11, 1983. Amended: Filed Dec. 14, 1982, effective March 11, 1983. Amended: Filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-22.020, effective July 6, 1994. Moved to 20 CSR 1140-22.020, effective Aug. 28, 2006.

**Original authority: 369.204, RSMo 1971, amended 1994 and 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-22.030 Withdrawals

PURPOSE: This regulation establishes the procedure for paying withdrawals when an association is unable to pay all withdrawal requests within a period of fourteen days from the date of the written withdrawal request.

(1) When an association is unable to pay all withdrawal requests within a period of fourteen (14) days from the date of receipt of written request, the association shall then number and fill all withdrawal requests in the order received and shall proceed in the following manner while any withdrawal request remains unpaid for more than fourteen (14) days. Withdrawal requests shall be paid in the order received and if any holder of a savings account or accounts has requested the withdrawal of more than one thousand dollars (\$1000) s/he shall be paid one thousand dollars (\$1000) in order when reached and his/her withdrawal request shall be charged with such amount as paid and shall be renumbered and placed at the end of the list of withdrawal requests. Thereafter, upon again being reached, the account holder shall be paid a like amount, to not exceed the withdrawal value of the savings accounts, and until such withdrawal request shall have been paid in full, the request shall continue to be paid, renumbered and replaced at the end of the withdrawal requests on file. When any such request is reached for payment, the association shall so advise the savings holder by registered mail to his/her last known address as recorded on the association books and, unless such holder shall apply in person or in writing for the payment of such withdrawal request within fourteen (14) days from the date of the mailing of such notice, no payment on account of such withdrawal request shall be made and such request shall be cancelled. The board of directors shall have absolute right to pay on any equitable basis an amount not exceeding two hundred dollars (\$200) to any holder of a savings account or accounts in any calendar month and without regard to any other provisions of this regulation.



(2) An association shall conform to any early withdrawal penalty regulations that may apply to federal associations.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.030. This rule previously filed as 4 CSR 140-22.030. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Amended: Filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-22.030, effective July 6, 1994. Moved to 20 CSR 1140-22.030, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-22.040 Service Charge on Small Accounts

PURPOSE: An association may make a service charge on a small account provided that the requirements of this regulation are met.

(1) An association may make a service charge against any savings account provided that thirty (30) days prior to making the first service charge the association has mailed to the holder on such account, at his/her last known address, a notice that service charges will be made in accordance with this regulation.

(2) Nothing contained in this rule shall apply to accounts authorized by 4 CSR 260-10.050 of this chapter.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.040. This rule previously filed as 4 CSR 140-22.040. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Amended: Filed Oct. 15, 1980, effective Jan. 12, 1981. Amended: Filed Feb. 8, 1982, effective May 13, 1982. Amended: Filed Aug. 15, 1983, effective Nov. 11, 1983. Changed to 4 CSR 140-22.040, effective July 6, 1994. Moved to 20 CSR 1140-22.040, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-22.050 Third Party Transfers

PURPOSE: This rule permits associations on certain conditions to make specified payments to third parties with the authorization of the accountholder.

(1) An association is authorized to offer savings accounts on which interest is paid and from which the owner may make withdrawals

by negotiable or transferable instruments for the purpose of making transfers to third parties.

(2) An association, if specifically authorized by a resolution of the board of directors and the authorization of the accountholder, may accept orders for payment from a saving or deposit account to third parties in such amounts as the accountholder determines.

(A) The authorization of the accountholder may be a specific authorization for periodic payments to specified parties in specified amounts or may be a general authorization for payment to specified parties of such amounts as are later determined by subsequent order of the accountholder or a combination of both such types of authorizations.

(B) Associations obtaining the initial written authorization to pay specified third parties at times and in amounts to be later specified may accept orally or electronically transmitted authorizations to pay those specified parties such amounts at such times determined by subsequent transmittal in accordance with the terms of the initial authorization, provided that no association shall use an electronic system for accepting such authorizations unless the board of directors shall be reasonably assured that reasonable internal controls exist to protect the customer and the association, which assurance shall be based, at least in part, on an independent audit report concerning such controls. A copy of such report shall be filed with the director of the division.

(C) All authorization shall be subject to termination at the will of the accountholder, stated in writing and received by the association at least forty-eight (48) hours prior to the beginning of the day on which the payment of any amount to a third party is to be made.

(D) At the request of a third party, any amount to be received by that third party may be transferred to a savings or deposit account of the third party.

(E) The association may charge a fee for its services in making any payment or transfer pursuant to the provisions of this rule.

(F) Associations may extend secured or unsecured credit in the form of overdraft privileges specifically related to accounts authorized by this section.

AUTHORITY: sections 369.154, 369.189 and 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.050. This rule previously filed as 4 CSR 140-22.050. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Amended: Filed Sept. 30, 1975, effective Oct. 10, 1975. Rescinded and readopted filed July 14, 1978, effective Nov. 13, 1978. Amended: Filed Oct. 15, 1980, effective Jan.*

12, 1981. Amended: Filed June 12, 1981, effective Sept. 11, 1981. Changed to 4 CSR 140-22.050, effective July 6, 1994. Moved to 20 CSR 1140-22.050, effective Aug. 28, 2006.

**Original authority: 369.154, RSMo 1971, amended 1982, 1983, 1994; 369.189, RSMo 1971, amended 1982, 1994; and 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-22.060 Investment of Public Funds

PURPOSE: This regulation provides for acceptance by insured associations of deposits of all political subdivisions or instrumentalities of the state of Missouri and the government of the United States and authorizes the pledging of assets of associations as security for the deposits.

(1) Savings and deposit accounts in insured associations that are legal and proper investments or depositories for the state of Missouri and all political subdivisions or instrumentalities of the state of Missouri and the government of the United States and all agencies thereof may be opened in accordance with the provisions of this regulation.

(A) An insured association may accept for deposit public funds of the state of Missouri (and political subdivisions or instrumentalities of the state of Missouri) and of the United States government and all agencies thereof as provided by law.

(B) An insured association may pledge funds or assets, as required by law, as additional security for invested public funds so that the value of pledged funds or assets shall at all times be not less than one hundred percent (100%) of the actual amount of the funds on deposit, less the amount insured by the Federal Deposit Insurance Corporation, provided that the director of the division may, at any time or on any conditions, prohibit or limit the making of additional pledges of assets of a designated association.

(C) No public funds shall be accepted in return for any commitment to purchase the general or revenue obligations of any political subdivision of the state of Missouri.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-10.060. This rule previously filed as 4 CSR 140-22.060. Original rule filed March 24, 1975, effective April 2, 1975. Rescinded and readopted: Filed July 14, 1978, effective Nov. 13, 1978. Changed to 4 CSR 140-22.060, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-22.060, effective Aug. 28, 2006.*



**Original authority 1971, amended 1994.*

20 CSR 1140-22.070 Keogh and IRA Accounts

PURPOSE: An association may act as trustee of a trust under a plan which qualifies for specific tax treatment under sections 401(d) or 408(a) of the Internal Revenue Code or as trustee of a passive trust.

(1) An association may act as trustee of any trust created or organized in the United States and forming part of a stock bonus, pension or profit-sharing plan qualifying for specific tax treatment under section 401(d) of the *Internal Revenue Code of 1954*; as trustee or custodian of an Individual Retirement Account within the meaning of section 408(a) of the Internal Revenue Code; or as trustee with no active fiduciary duties; provided, that the association shall invest the funds of the trust or account only in the association's own accounts, deposits, obligations or securities or, upon the condition that the association does not exercise any investment discretion or directly or indirectly provide any investment advice with respect to the trust or account assets, in such other assets as the customer may direct. The association shall observe principles of sound trust administration, including those relating to recordkeeping and segregation of assets and may receive reasonable compensation for acting in any trust capacity authorized by this section.

(2) An association acting as trustee or custodian pursuant to section (1) shall include in bold type on the first page of any contract documents the following language: "Funds invested pursuant to this agreement are not insured by the Federal Deposit Insurance Corporation ("FDIC") merely because the trustee or custodian is an institution the accounts of which are covered by such insurance. Only investments in the accounts of such an institution are insured by the FDIC, subject to its rules and regulations."

*AUTHORITY: sections 369.144 and 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-10.070. This rule previously filed as 4 CSR 140-22.070. Original rule filed March 24, 1975, effective April 2, 1975. Rescinded and readopted: Filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-22.070, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-22.070, effective Aug. 28, 2006.*

**Original authority: 369.144, RSMo 1971, amended*

1982, 1983, 1984, 1989, 1994 and 369.299, RSMo 1971, amended 1994.

20 CSR 1140-22.080 Credit and Debit Cards

PURPOSE: This rule will authorize state chartered savings and loan associations to engage in credit and debit card operations; and will comport with applicable federal regulations to permit federally chartered associations to engage in similar activities as well as permit debit card participation.

An association may issue credit and debit cards, extend credit in connection therewith, and otherwise engage in or participate in credit and debit card operations.

*AUTHORITY: sections 369.144 and 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-10.080. This rule previously filed as 4 CSR 140-22.080. Original rule filed Oct. 15, 1980, effective Jan. 12, 1981. Changed to 4 CSR 140-22.080, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-22.080, effective Aug. 28, 2006.*

**Original authority: 369.144, RSMo 1971, amended 1982, 1983, 1984, 1989, 1994 and 369.299, RSMo 1971, amended 1994.*