Rules of
Department of Insurance, Financial Institutions and Professional Registration
Division 1140—Division of Finance
Chapter 25—Associations’ Electronic Fund Transfer Systems

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 CSR 1140-25.010 Electronic Fund Transfer Systems</td>
<td>3</td>
</tr>
<tr>
<td>20 CSR 1140-25.020 Foreign Association Remote Service Units</td>
<td>4</td>
</tr>
</tbody>
</table>


Chapter 25—Associations’ Electronic Fund Transfer Systems

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 1140—Division of Finance
Chapter 25—Associations’ Electronic Fund Transfer Systems

20 CSR 1140-25.010 Electronic Fund Transfer Systems

PURPOSE: This regulation establishes the criteria for the operation of any electronic fund transfer system by an association.

Editor’s Note: Copies of all referenced federal regulations are available to any interested party at the Division of Finance, Room 630, 301 West High Street, Jefferson City, Missouri or the Office of the Secretary of State at a cost established by state law.

1. Definitions. As used in this chapter—
   (A) Electronic fund transfer system means any system using electronic transmissions of data or information and providing for access to or ability to credit or debit any account of a member of an association from a place other than an office or agency of the association;
   (B) Personal security identifier (PSI) means any word, number or other security identifier essential for an accountholder to gain access to an account;
   (C) Remote service unit (RSU) means an information processing device, including associated equipment, structures and systems, by which information relating to financial services rendered to the public is stored and transmitted, instantaneously or otherwise, to a financial institution. Any such device not on the premises of an association that, for activation and account access, requires use of a machine-readable instrument and PSI in the possession and control of an accountholder, is an RSU. The term includes, without limitation, point-of-sale terminals, merchant operated terminals, cash-dispensing machines and automated teller machines. It excludes automated teller machines on the premises of an association, unless shared with other financial institutions. An RSU is not a branch, satellite, or other type of facility or agency of an association under Chapter 16 of these regulations;
   (D) Generic data means statistical information which does not identify any individual accountholder;
   (E) RSU account means a savings or loan account or demand account that may be accessed through use of an RSU;
   (F) Service corporation means such an entity as defined by and operated in accordance with the provisions of Chapter 23 of these regulations; and
   (G) Foreign association means any federally-chartered or state-chartered association with its principal office located outside Missouri.

2. Remote Service Units.
   (A) An association may establish or use RSUs and participate with others in RSU operations on an unrestricted geographic basis subject to the requirements of the Electronic Fund Transfer Act (15 U.S.C. 1693) and Regulation E of the Federal Reserve Board (12 CFR 205.2) and this regulation.
   (B) No RSU may be used to open a savings account, a demand account or establish a loan account.

3. Remote Service Units—Access Techniques. An association shall provide a PSI to each accountholder and require its use when accessing an RSU. It may not employ RSU access techniques that require the accountholder to disclose a PSI to another person or entity. The association must inform each accountholder that the PSI is for security purposes and shall not be disclosed to third parties. Any device used to activate an RSU shall bear the words “Not Transferrable” or their equivalent. A passbook may not be such a device.

4. Privacy of Account Data. An association shall allow accountholders to obtain any information concerning their RSU accounts. Except for generic data or data necessary to identify a transaction, no association may disclose account data to third parties, other than the appropriate federal regulatory agency and the director, unless express written consent of the accountholder is given, or applicable law requires. Information disclosed to the appropriate federal regulatory agency or the director will be kept in a manner to ensure compliance with the Privacy Act, 5 U.S.C. 552a. An association may operate an RSU according to an agreement with a third party or share computer systems, communications facilities or services of another financial institution only if such third party or institution agrees to abide by this subsection as to information concerning RSU accounts in the association.

5. Home Banking Services. An association may utilize any electronic technology to provide its customers with home banking services. Any such services provided under this section are subject to the Electronic Fund Transfer Act (15 U.S.C. 1693) and Regulation E of the Federal Reserve Board (12 CFR 205) as construed by Supplement II—Official Staff Interpretation, 2-23. Home banking services means the transfer of funds or financial information or the performance of other transactions initiated by a customer by means of an electronic home terminal, such as a telephone, a home computer terminal or a television set that is linked to an association’s computer by telephone or cable television lines. An association providing services authorized by this section shall adopt security measures adequate to prevent unauthorized access to its records or those of its customers or the use of a home terminal to defraud the association or any of its customers.

6. Out-of-State Operation of Remote Service Units. An association chartered by the state of Missouri may operate a remote service unit on an unrestricted geographic basis under the following conditions:
   (A) Prior to operating a remote service unit in another state, an association must submit written evidence to the director that the association has obtained the approval of the savings and loan regulatory agency of the state in which the remote service unit will be located; and
   (B) A remote service unit operated by an association chartered by the state of Missouri and located in another state shall not be considered to be a branch office or agency of the Secretary of State (9/30/06)
association. Any financial transaction effect-
icted by use of a remote service unit in another
state shall be deemed to be transacted at the
association to which the information is trans-
mitted for entry into a customer’s account.

AUTHORITY: sections 369.129, 369.299,
369.329 and 369.334, RSMo 1994.* This
rule originally filed as 4 CSR 260-13.080.
This rule previously filed as 4 CSR 140-
25.050. Original rule filed July 14, 1978,
and readopted: Filed Nov. 4, 1986, effective
Jan. 30, 1987. Changed to 4 CSR 140-
25.050, effective July 6, 1994. Amended:
Filed Nov. 8, 1994, effective March 30, 1995.
Moved to 20 CSR II.40-25.050, effective Aug.

20 CSR 1140-25.020 Foreign Association
Remote Service Units

PURPOSE: This regulation establishes the
criteria for the operation of remote service
units in this state by foreign associations.

(1) Authority to Operate a Remote Service
Unit.

(A) Foreign Associations. Upon obtaining
the prior written approval of the director, a
foreign association may operate a remote ser-
tice unit in this state under the following
terms and conditions:

1. A foreign association shall submit a
written application to the director for initial
authority to operate a remote service unit in
this state, providing the following informa-
tion:

A. Written documentation indicating
that the applicant has received authority from
its state or federal regulatory agency to op-
erate a remote service unit in the state of
Missouri; and

B. A description of the remote service
unit system which the applicant is operating
in its home state at the time of the application
including the location of each terminal, the
functions performed at each location, the
names and addresses of other entities partici-
paring in the system and such other informa-
tion as the director may require.

(B) No foreign association shall operate a
remote service unit in this state unless its
home state shall allow associations chartered
by the state of Missouri to operate remote
service units in its state.

(C) A foreign association authorized by the
director to operate a remote service unit in
this state may render the same financial ser-
vices, but none other, to its customers by
means of a remote service unit as are permit-
ted for associations chartered by the state of
Missouri; provided, however, no foreign
association shall render any financial service
in this state by means of a remote service unit
unless its home state shall allow associations
chartered by the state of Missouri to render
the same financial services in its state.

(D) Remote service units operated in this
state by a foreign association pursuant to this
regulation shall not be considered to be
branch offices or agencies.

(2) Revocation of Right to Operate Remote
Service Units in this State.

(A) Action Taken by Director. In addition
to the other sanctions available, if, in the
opinion of the director, a foreign association
is unlawfully or unsoundly exercising, or has
unlawfully or unsoundly exercised, the
powers granted by this regulation or otherwise
fails or has failed to comply with the require-
ments of this regulation, the director may
issue and serve upon the foreign association
a notice of intent to revoke the authority of
the foreign association to exercise the powers
granted by this regulation. The notice shall
contain a statement of the facts constituting
the alleged unlawful or unsound exercise of
powers or failure to comply and shall fix a
time and place at which a hearing will be held
to determine whether an order revoking
authority to exercise such powers should be
issued against the foreign association.

Such hearing shall be conducted in
accordance with 4 CSR 260-6.010 and
shall be fixed for a date not earlier than thirty
(30) days and not later than sixty (60) days
after service of such notice unless an earlier
or later date is set by the director at the
request of the foreign association so served.

The director may assess costs in connection
with such a hearing. Unless the foreign asso-
ciation so served shall appear at the hearing
by a duly authorized representative, it shall
be deemed to have consented to the issuance
of the revocation order. In the event of such
consent or, upon the record made at any such
hearing, the director shall find that any
allegation specified in the notice of charges
has been established, the director may issue
and serve upon the foreign association an
order revoking authority to exercise any and
all powers granted by this regulation. Upon
the effective date of such order the foreign
association shall forthwith cease

and terminate. A revocation order shall
become effective not earlier than the expira-
tion of thirty (30) days after service of such
order upon the foreign association so served
(except in the case of a revocation order
issued upon consent, which shall become
effective at the time specified), and shall
remain effective and enforceable, except to
such extent as it is stayed, modified, termi-
nated or set aside by action of the director or
the State Savings and Loan Commission or
reviewing court.

(B) Automated Termination, The authority
to grants to a foreign association pursuant to this
regulation to operate a remote service unit in
Missouri shall immediately cease and termi-
nate at such time as the equal rights required
by 4 CSR 260-13.020(1) for associations
chartered by the state of Missouri shall cease
to exist in the state of the foreign association.

AUTHORITY: sections 369.144, RSMo 1971, amended
RSMo 1994.* This
rule originally filed as 4 CSR 260-13.080.
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