



**Rules of
Department of Commerce and
Insurance**

**Division 1140—Division of Finance
Chapter 13—Section 408.510 Companies**

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 1140—Division of Finance
Chapter 13—Section 408.510 Companies**

20 CSR 1140-13.010 Licensing Requirements and General Provisions

PURPOSE: Section 408.510 companies (consumer installment lenders) are required by section 408.510, RSMo, to obtain a license from the director of finance. In addition, consumer installment lenders are subject to examination by the Division of Finance for the purpose of determining that these companies are complying with the provisions of Chapter 367 and section 408.510, RSMo, and the laws relating to consumer installment lending. This rule sets out minimum record keeping requirements to facilitate examinations by the Division of Finance, which locations will require a license and other general provisions.

(1) Applicability of Other Regulations. Section 408.510 licensees are a special category of sections 367.100–367.215 lenders and, accordingly, are subject to the regulations generally applicable to licensees under those sections, i.e., 4 CSR 140-5.010 and 4 CSR 140-5.020 which, in the interest of brevity, are not restated here.

(2) Contract Copies. A consumer installment lender shall provide the borrower with a copy of the signed contract at the time the loan is made and at each renewal. The company shall also retain a copy for the borrower's file. Each contract shall contain the name and address of the lender and of the borrower.

(3) Amount of Loan. Consumer installment lenders are permitted to make loans of any amount, whether or not secured, and all loans made by such lenders must be payable in no fewer than four (4) substantially equal installments which must run for a minimum of one hundred twenty (120) days.

(4) Interest—Loan Origination Fee—When Earned. Consumer installment loans shall bear daily interest to be determined by applying the contract rate of interest to the principal balance and dividing that result by the number of days in the year. Loans may not have an amount of interest added to the principal of the loan or be subject to the “Rule of 78s” or “Sum of the Digits” method of refunding. The loan origination fee is earned at the time the loan is made.

(5) Fees. A consumer installment lender shall not charge, contract for or receive, either directly or indirectly, any fee not expressly permitted by section 408.140.1, RSMo.

(6) Contracts Paid in Full. When a consumer installment note is paid in full, the original contract or a copy thereof, shall be marked “paid” and returned to the borrower. Any security interest that no longer secures a loan shall be restored, cancelled, or released.

AUTHORITY: section 408.510, RSMo Supp. 2001. This rule originally filed as 4 CSR 140-13.010. Original rule filed Feb. 15, 2002, effective Aug. 30, 2002. Moved to 20 CSR 1140-13.010, effective Aug. 28, 2006.*

**Original authority: 408.510, RSMo 2001.*