



GOVERNOR OF MISSOURI

JEFFERSON CITY
65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

P.O. Box 720
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July 13, 2009

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you House Committee Substitute for Senate Bill No. 235 entitled:

AN ACT

To repeal sections 137.016, 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.052, 408.140, 408.233, 408.250, 408.300, 436.350, 441.005, 442.010, 513.010, 700.010, 700.100, 700.111, 700.320, 700.350, 700.360, 700.370, 700.375, 700.385, 700.525, 700.527, 700.529, 700.530, 700.531, 700.533, 700.535, 700.537, 700.539, and 700.630, RSMo, and to enact in lieu thereof thirty-seven new sections relating to manufactured homes, with penalty provisions.

I disapprove of House Committee Substitute for Senate Bill No. 235. My reasons for disapproval are as follows:

House Committee Substitute for Senate Bill No. 235 contains some good provisions, however, I strongly believe that the provision permitting the sale of a deficiency waiver addendum, guaranteed asset protection or similar product purchased as part of a loan transaction fails to include adequate consumer protections and will be harmful to Missourians. That provision was also contained in Senate Committee Substitute for Senate Bill No. 243 which I have also vetoed today.

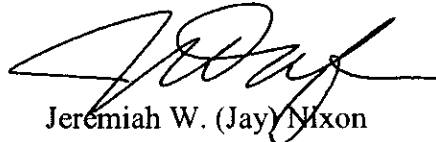
With regard to the sale of deficiency waiver addendums and similar products, House Committee Substitute for Senate Bill No. 235 does not allow a consumer to cancel coverage or require a refund of premiums in the event the consumer pays off the underlying loan early. By contrast, federal regulations require national banks to refund to the customer any unearned fees paid. Federal regulations permit a national bank to offer a no refund contract only if the bank also offers that customer "a bona fide option to purchase a comparable contract that provides a refund." House Committee Substitute for Senate Bill No. 235 fails to incorporate any such consumer protection.

House Committee Substitute for Senate Bill No. 235 fails to provide the consumer a "free look" period during which the consumer may cancel the contract if the consumer determines that they do not need it or cannot afford it.

House Committee Substitute for Senate Bill No. 235 does not require that the consumer sign for the product acknowledging that they wish to purchase it. The failure to require this affirmative acknowledgment by the consumer heightens the chance that a consumer will unknowingly "purchase" the product.

For the above stated reasons, I am returning House Committee Substitute for Senate Bill No. 235 without my approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jay Nixon", written over a horizontal line.

Jeremiah W. (Jay) Nixon
Governor