

July 14, 2010

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777 entitled:

AN ACT

To repeal sections 339.503, 362.111, 375.1152, 375.1155, 375.1255, 408.052, 408.140, 408.233, and 408.300, RSMo, and to enact in lieu thereof twelve new sections relating to the sale of certain financial products and plans associated with certain loan transactions, with penalty provisions for a certain section.

I disapprove of House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777. My reasons for disapproval are as follows:

House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777, in sections 408.052.4 and 408.140.1(12), RSMo, facilitates consumer borrowing to purchase service contracts, products of often questionable value in a market with an active history of consumer deception and confusion. Permitting expansion of the sale of these products in this manner will be harmful to Missourians. Missouri consumers have complained loudly about the sale of these products, spurring the Missouri Attorney General to initiate an investigative task force. Deceptive practices employed by this industry were also the focus of a multi-state investigation by state attorneys general and consumer fraud litigation into the sale and marketing of these products has been initiated in Missouri and nationwide. Permitting more readily available financing for these dubious products is not good for Missouri consumers.

In accordance with the above stated reasons for disapproval, I am returning House Committee Substitute for Senate Committee Substitute for Senate Bill No. 777 without my approval.

Respectfully submitted,
/s/ Jeremiah W. (Jay) Nixon
Governor