

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 677

By Senator(s) Committee

11 Amend by striking all after the enacting clause and inserting
12 in lieu thereof the following:

13

14 SECTION 1. Section 75-17-19, Mississippi Code of 1972, is
15 amended as follows:

16 75-17-19. (1) Notwithstanding any provision of law to the
17 contrary, any retail seller and any lender or issuer of credit
18 cards may contract for and receive a finance charge for credit
19 sales of goods, services or merchandise certificates or for cash
20 advanced or other credit extended pursuant to a revolving charge
21 agreement by applying a periodic rate no greater than one and
22 three-fourths percent (1-3/4%) per month to:

23 (a) The average daily balance of the account, exclusive
24 of finance charge, in each billing period;

25 (b) An amount that shall not exceed the balance of the
26 account, exclusive of finance charge, on the first day of each
27 billing period without adding purchases or miscellaneous debits to
28 the account during the billing period; or

29 (c) Any balance of the account during each billing
30 period which does not produce an amount of finance charge in
31 excess of that permitted by (a) or (b).

32 (2) Notwithstanding the foregoing and any other provision of
33 law to the contrary, any bank which is an issuer of credit cards

34 may contract for and receive, in addition to any finance charges
35 authorized by law, an annual fee for membership in a credit card
36 plan pursuant to a revolving charge agreement and such fee shall
37 not be considered a finance charge. Such fee shall not exceed
38 Twelve Dollars (\$12.00) per year for an account where the
39 cardholder is a natural person. However, any credit card issuer
40 which does so contract for an annual membership fee may,
41 notwithstanding the provisions of subsection (1) of this section,
42 contract for and receive a finance charge for credit sales of
43 goods, services or merchandise certificates or for cash advanced
44 or other credit extended pursuant to a revolving charge agreement
45 by applying a periodic rate no greater than one and one-half
46 percent (1-1/2%) per month to:

47 (a) The average daily balance of the account, exclusive
48 of finance charge, in each billing period;

49 (b) An amount that shall not exceed the balance of the
50 account, exclusive of finance charge, on the first day of each
51 billing period without adding purchases or miscellaneous debits to
52 the account during the billing period; or

53 (c) Any balance of the account during each billing
54 period which does not produce an amount of finance charge in
55 excess of that permitted by (a) or (b).

56 (3) Notwithstanding the foregoing and any other provision of
57 law to the contrary, any bank, retail seller, lender or other
58 issuer of credit cards may contract for and receive, in addition
59 to any finance charges authorized by law, late payment charges in
60 connection with the credit sales of goods, services or merchandise
61 certificates or for cash advanced pursuant to a revolving charge
62 agreement in such amounts and upon such terms and conditions as
63 may be agreed to in writing by the bank, retail seller, lender or
64 other issuer of credit cards and the borrower or debtor, * * * and
65 such charges and fees shall not be considered a finance charge.

66 (4) No finance charge may be charged or collected for
67 purchases made by the use of credit cards or credit sales of goods
68 or services or merchandise certificates if the outstanding balance

69 of the account existing on the first day of the billing statement
70 where such purchases initially appear is paid in full within one
71 (1) month after such billing statement date. If a finance charge
72 is otherwise due and the amount of the finance charge so computed
73 shall be less than Fifty Cents (50¢) for any such month, a finance
74 charge of Fifty Cents (50¢) for any such month may be charged,
75 received and collected. Any payment made pursuant to a revolving
76 charge agreement shall be applied first to any finance charge
77 shown to be due on the billing statement, next to repayment of
78 cash advanced or other credit extended, and finally to the
79 chronological repayment of purchases of goods, services or
80 merchandise certificates. The billing statement shall not state
81 that Mississippi law requires the imposition of a finance charge.
82 The term "month" as used in this subsection and in subsections (1)
83 and (2) of this section means either (a) a calendar month or (b) a
84 minimum of thirty (30) consecutive calendar days, or (c) the
85 number of days elapsing between the same numerical calendar day of
86 successive calendar months, or (d) a number of days which does not
87 vary by more than four (4) days from such period nor result in
88 more than twelve (12) billing periods per year. "Revolving charge
89 agreement" means an agreement by the terms of which retail sellers
90 may sell goods, services, merchandise certificates, or by which a
91 lender or issuer finances the purchase of goods or services or by
92 which a lender makes cash advances, by the use of credit cards or
93 otherwise, pursuant to which the amount financed is payable either
94 within a stated period or in installments over a period of time,
95 and the terms of which may provide for finance charges to be
96 assessed on the unpaid balance as it exists from time to time; the
97 term "revolving charge agreement" does not include the lending of
98 money evidenced by a promissory note. The term "cash advances"
99 includes credit extended by a lender to a borrower, or to any
100 other person for the account of a borrower, pursuant to a written
101 agreement, by the use of checks, drafts or other similar
102 instruments.

103 (5) Notwithstanding the foregoing and any other provision of

104 law to the contrary, any retail seller may contract for and
105 receive a finance charge for closed end credit sales of goods,
106 tangible property or services, other than pursuant to a revolving
107 charge agreement, which will result in a yield not to exceed the
108 following annual percentage rates calculated according to the
109 actuarial method:

110 (a) Twenty-four percent (24%) per annum on that part of
111 the unpaid balance of the amount financed which is Two Thousand
112 Five Hundred Dollars (\$2,500.00) or less; and

113 (b) Twenty-one percent (21%) per annum on that part of
114 the unpaid balance of the amount financed which is more than Two
115 Thousand Five Hundred Dollars (\$2,500.00).

116 (6) Notwithstanding the foregoing and any other provisions
117 of law to the contrary, any bank, retail seller, lender or other
118 issuer of credit cards may provide in the written credit card
119 agreement for such products, services, charges and fees as the
120 bank, retail seller, lender or other issuer of credit cards and
121 the debtor may agree upon (excluding, however, the finance charges
122 provided for in subsection (1) of this section), and such other
123 terms and conditions as the bank, retail seller, lender or other
124 issuer of credit cards and the debtor may agree upon from time to
125 time, and the costs associated with those products, services,
126 charges and fees shall not be considered a finance charge or an
127 annual fee. If any bank, retail seller, lender or other issuer of
128 credit cards desires to modify in any respect any term of the
129 credit card account, it shall first provide at least thirty (30)
130 days' prior written notice of the modification to the debtor. In
131 providing that notice, the bank, retail seller, lender or other
132 issuer of credit cards shall advise the debtor in writing that the
133 debtor has the option (a) to surrender the credit card, in which
134 case the debtor shall have the right to continue to pay off the
135 credit card account in the same manner and under the same terms
136 and conditions as then in effect; or (b) to hold the credit card
137 after the thirty-day period has elapsed, or to use the credit card
138 during that period, either of which shall constitute the debtor's

139 consent to the modification.

140 SECTION 2. This act shall take effect and be in force from
141 and after July 1, 2000.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 75-17-19, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE MISSISSIPPI BANKS, RETAIL SELLERS, LENDERS AND OTHER
3 ISSUERS OF CREDIT CARDS TO PROVIDE IN THE WRITTEN CREDIT CARD
4 AGREEMENT FOR ANY PRODUCTS, SERVICES, CHARGES AND FEES AS THE
5 ISSUER AND THE DEBTOR MAY AGREE UPON; TO REQUIRE CREDIT CARD
6 ISSUERS TO PROVIDE 30 DAYS' NOTICE TO DEBTORS OF ANY MODIFICATION
7 OF ANY TERM OF THE CREDIT CARD ACCOUNT; TO DELETE THE MAXIMUM
8 AMOUNT FOR LATE PAYMENT CHARGES THAT MAY BE CHARGED ON DELINQUENT
9 PAYMENTS; AND FOR RELATED PURPOSES.