

By: Representative Guice

To: Banks and Banking

HOUSE BILL NO. 1273

1 AN ACT TO AMEND SECTION 75-17-27, MISSISSIPPI CODE OF 1972,
 2 TO MODIFY THE LATE PAYMENT CHARGES PERMITTED ON CERTAIN
 3 TRANSACTIONS; TO AMEND SECTION 63-19-35, MISSISSIPPI CODE OF 1972,
 4 TO CONFORM TO THE PRECEDING PROVISION THE DELINQUENCY AND
 5 COLLECTION CHARGE PROVISIONS APPLICABLE TO COMMERCIAL VEHICLE
 6 SALES CONTRACTS AND MOTOR VEHICLE SALES FINANCE CONTRACTS; TO
 7 REPEAL SECTION 75-17-15, MISSISSIPPI CODE OF 1972, WHICH
 8 AUTHORIZES SMALL LOAN LICENSEES TO COLLECT A DEFAULT CHARGE ON
 9 CERTAIN TRANSACTIONS; AND FOR RELATED PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 SECTION 1. Section 75-17-27, Mississippi Code of 1972, is
 12 amended as follows:

13 75-17-27. A late payment charge, not exceeding Fifteen
 14 Dollars (\$15.00) or five percent (5%) of the amount of any
 15 delinquency, whichever is greater, if contracted for in writing,
 16 shall not be considered a finance charge, but no such charge shall
 17 be made unless the delinquency is more than ten (10) days past
 18 due; * * * however, the late payment charge may be collected only
 19 one (1) time on a specific installment and no late payment charge
 20 may be collected on a partial payment resulting from the deduction
 21 of a late payment charge from a regular scheduled payment. On
 22 loans of One Hundred Thousand Dollars (\$100,000.00) or less having
 23 a stated maturity of five (5) years or less, the late payment
 24 charge shall in no event exceed Fifty Dollars (\$50.00).

25 SECTION 2. Section 63-19-35, Mississippi Code of 1972, is
 26 amended as follows:

27 63-19-35. The holder may, if the contract or refinancing
 28 agreement so provides, collect a delinquency and collection charge
 29 on a contract * * * in an amount not exceeding that permitted in

30 Section 75-17-27. The contract may provide for the payment of
31 court costs and of attorney's fee not exceeding fifteen per cent
32 (15%) of the amount actually due and unpaid at the time the
33 balance of the contract is accelerated and the entire amount
34 thereof is declared to be due, if the same is referred to an
35 attorney for collection. However, no such attorney's fee may be
36 charged or collected where the attorney to whom the contract was
37 referred for collection is a salaried employee of the holder of
38 the contract.

39 SECTION 3. Section 75-17-15, Mississippi Code of 1972, which
40 authorizes small loan licensees to collect a default charge on
41 certain transactions, is repealed.

42 SECTION 4. This act shall take effect and be in force from
43 and after July 1, 2001.