To: Banks and Banking

MISSISSIPPI LEGISLATURE REGULAR SESSION 2001
By: Representative Guice

HOUSE BILL NO. 1273
(As Passed the House)

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

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

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

75-17-27. A late payment charge, not exceeding Ten Dollars ($10.00) or five percent (5%) of the amount of any delinquency, whichever is greater, if contracted for in writing, shall not be considered a finance charge, but no such charge shall be made unless the delinquency is more than ten (10) days past due; however, the late payment charge may be collected only one (1) time on a specific installment and no late payment charge may be collected on a partial payment resulting from the deduction of a late payment charge from a regular scheduled payment. On loans of One Hundred Thousand Dollars ($100,000.00) or less having a stated maturity of five (5) years or less, the late payment charge shall in no event exceed Fifty Dollars ($50.00).

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

63-19-35. The holder may, if the contract or refinancing agreement so provides, collect a delinquency and collection charge on a contract in an amount not exceeding that permitted in
Section 75-17-27. The contract may provide for the payment of court costs and of attorney's fee not exceeding fifteen per cent (15%) of the amount actually due and unpaid at the time the balance of the contract is accelerated and the entire amount thereof is declared to be due, if the same is referred to an attorney for collection. However, no such attorney's fee may be charged or collected where the attorney to whom the contract was referred for collection is a salaried employee of the holder of the contract.

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Mississippi Code of 1972, which authorizes small loan licensees to collect a default charge on certain transactions, is repealed.

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