

By: Senator(s) Mettetal

To: Business and Financial  
Institutions

SENATE BILL NO. 2758

1 AN ACT TO AMEND SECTION 97-19-81, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE AMOUNT OF THE FEE OR SERVICE CHARGE THAT LENDERS MAY  
3 ADD TO THE UNPAID BALANCE OF A LOAN WHEN A BORROWER PAYS ALL OR  
4 PART OF THE LOAN BY INSUFFICIENT FUNDS CHECK; TO REPEAL SECTION  
5 75-67-122, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES SMALL LOAN  
6 LICENSEES TO CHARGE AND COLLECT A BAD CHECK CHARGE; AND FOR  
7 RELATED PURPOSES.

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

9 SECTION 1. Section 97-19-81, Mississippi Code of 1972, is  
10 amended as follows:

11 97-19-81. When an entity that is authorized by the laws of  
12 this state to make loans or grant extensions of credit is paid by  
13 check to retire all or a part of a loan or extension of credit,  
14 and the check is returned because of insufficient funds, and the  
15 lender is charged a fee or service charge as a result of that  
16 return, the lender shall be authorized to add a fee or service  
17 charge not to exceed a maximum amount of Thirty Dollars (\$30.00)  
18 to the principal of the unpaid balance of the loan or extension of  
19 credit. This fee or service charge may be added to the principal  
20 only once with respect to the same check. The fee or service  
21 charge shall not be deemed to be interest, a finance charge or  
22 other charge that is made as an incident to or as a condition of  
23 the making of the loan or granting of the extension of credit, and  
24 shall not be included in determining the limit charges that may be  
25 made in connection with the loan or extension of credit as  
26 provided in any law of this state.

27           SECTION 2. Section 75-67-122, Mississippi Code of 1972,  
28 which authorizes small loan licensees to charge and collect a bad  
29 check charge, is hereby repealed.

30           SECTION 3. This act shall take effect and be in force from  
31 and after its passage.