MISSISSIPPI LEGISLATURE
REGULAR SESSION 2001
By: Senator(s) Mettetal
To: Business and Financial Institutions

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2978

AN ACT TO AMEND SECTION 75-17-27, MISSISSIPPI CODE OF 1972, TO REVISE USURY STATUTE SETTING FORTH THE MAXIMUM CHARGES FOR LATE PAYMENTS; TO AMEND SECTION 63-19-35, MISSISSIPPI CODE OF 1972, TO CONFORM THE DELINQUENCY AND COLLECTION CHARGES ALLOWED UNDER THE MOTOR VEHICLE SALES FINANCE LAW; TO REPEAL SECTION 75-17-15, MISSISSIPPI CODE OF 1972, WHICH ALLOWS 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 such delinquency is more than ten (10) days past due; provided, however, that such 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, such 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. In addition to such delinquency and collection
charge, the contract may provide for the payment of court costs and of attorneys' fee not exceeding fifteen percent (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 attorneys' 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 hereby repealed.

SECTION 4. This act shall take effect and be in force from and after its passage.