

By: Senator(s) Mettetal

To: Business and Financial
Institutions

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2978

1 AN ACT TO AMEND SECTION 75-17-27, MISSISSIPPI CODE OF 1972,
2 TO REVISE USURY STATUTE SETTING FORTH THE MAXIMUM CHARGES FOR LATE
3 PAYMENTS; TO AMEND SECTION 63-19-35, MISSISSIPPI CODE OF 1972, TO
4 CONFORM THE DELINQUENCY AND COLLECTION CHARGES ALLOWED UNDER THE
5 MOTOR VEHICLE SALES FINANCE LAW; TO REPEAL SECTION 75-17-15,
6 MISSISSIPPI CODE OF 1972, WHICH ALLOWS SMALL LOAN LICENSEES TO
7 COLLECT A DEFAULT CHARGE ON CERTAIN TRANSACTIONS; AND FOR RELATED
8 PURPOSES.

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

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

12 75-17-27. A late payment charge, not exceeding Ten Dollars
13 (\$10.00) or five percent (5%) of the amount of any delinquency,
14 whichever is greater, if contracted for in writing, shall not be
15 considered a finance charge, but no such charge shall be made
16 unless such delinquency is more than ten (10) days past due;
17 provided, however, that such late payment charge may be collected
18 only one (1) time on a specific installment and no late payment
19 charge may be collected on a partial payment resulting from the
20 deduction of a late payment charge from a regular scheduled
21 payment. On loans of One Hundred Thousand Dollars (\$100,000.00)
22 or less having a stated maturity of five (5) years or less, such
23 late payment charge shall in no event exceed Fifty Dollars
24 (\$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. In addition to such delinquency and collection



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 hereby repealed.

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

