HOUSE BILL NO. 350

AN ACT TO LIMIT THE AMOUNT OF A SERVICE CHARGE THAT A FINANCIAL INSTITUTION MAY CHARGE A CUSTOMER FOR AN OVERDRAWN CHECKING ACCOUNT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) For an overdrawn checking account, a financial institution shall not charge a customer:

(a) A fee or service charge that exceeds two (2) times the face amount of the check or Fifty Dollars ($50.00), whichever is less, for each check drawn against the account; or

(b) A separate fee or service charge for each day that the account is overdrawn.

(2) As used in this section, the term "financial institution" means:

(a) Any bank, savings association, savings and loan association, savings bank or credit union incorporated under the laws of the State of Mississippi that offers checking accounts to Mississippi residents;

(b) Any bank, savings association, savings and loan association or credit union incorporated under the laws of the United States and having an office in Mississippi that offers checking accounts to Mississippi residents; and

(c) Any bank, savings association, savings and loan association, savings bank or credit union incorporated under the laws of another state and having an office in Mississippi that offers checking accounts to Mississippi residents.

SECTION 2. This act shall take effect and be in force from and after July 1, 2002.