MISSISSIPPI LEGISLATURE
REGULAR SESSION 2002

By: Representative Wells-Smith
To: Banks and Banking

HOUSE BILL NO. 899

AN ACT TO PROHIBIT FINANCIAL INSTITUTIONS AND OTHER LENDERS FROM GIVING OR SENDING TO MISSISSIPPI RESIDENTS ANY CHECK, NOTE, OR OTHER DOCUMENT BY WHICH THE RECIPIENT MAY OBTAIN A LOAN BY SIGNING OR ENDORSING THE DOCUMENT, UNLESS IT HAS BEEN AUTHORIZED BY THE RECIPIENT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) (a) A financial institution or other lender shall not give or send to a resident of Mississippi any check, note, or other document by which the recipient may obtain a loan from the financial institution or other lender by signing or endorsing the check, note or document, unless the recipient has previously authorized the financial institution or lender to provide such a check, note or document to the recipient.

(b) A financial institution or other lender shall not contract with a person or entity for that person or entity to provide to a resident of Mississippi any check, note or other document on behalf of the financial institution or lender if the financial institution or lender would be prohibited under subsection (1) from taking that action directly.

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

(a) A bank, savings association, savings and loan association, savings bank or credit union incorporated under the laws of the State of Mississippi that makes or offers to make loans to Mississippi residents;

(b) A 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 makes or offers to make loans to Mississippi residents;
(c) A 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 makes or offers to make loans to Mississippi residents;

(d) A small loan company incorporated under the laws of the State of Mississippi that makes or offers to make loans to Mississippi residents; and

(e) A small loan company incorporated under the laws of another state and having an office in Mississippi that makes or offers to make loans to Mississippi residents.

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