AN ACT TO AMEND SECTION 81-1-91, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN ALL BANK EXAMINATIONS NO BANK SHALL BE ALLOWED CREDIT IN EXCESS OF ITS SOUND VALUE FOR UNSECURED OVERDRAFTS THAT MAY HAVE EXISTED FOR A GREATER PERIOD THAN 90 DAYS NEXT PRECEDING IT; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 81-1-91, Mississippi Code of 1972, is amended as follows:

81-1-91. In all bank examinations no bank shall be allowed credit in excess of its sound value for a note or security of which the principal and interest is over twelve (12) months past due; nor for any bond in excess of the real value thereof; nor for any stock of its own held more than twelve (12) months; nor for any unsecured overdrafts that may have existed for a greater period than ninety (90) days next preceding it. Only such overdrafts shall be considered as secure as are advanced against products or actual existing values evidenced by warehouse receipts or bills of lading, against bills of exchange drawn in good faith against actual existing values, or against funds on deposit by the depositor whose account is overdrawn, and who has pledged those funds as security for such overdraft, and in making up the statement of the condition of such bank any item not so secured shall be charged off (but if desired a note shall be appended giving details thereof). But the discretion of the commissioner or examiner may be exercised in cases of estates in litigation or administration, and in pending suits, if the security affected thereby is ample, in the opinion of the commissioner or examiner making such examination.
SECTION 2. This act shall take effect and be in force from and after its passage.