

By: Senator(s) Mettetal

To: Business and Financial  
Institutions

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2560

1 AN ACT TO AMEND SECTION 75-67-421, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE AMOUNT OF SURETY BOND REQUIRED TO BE ELIGIBLE FOR A  
3 TITLE PLEDGE LENDER LICENSE; TO AMEND SECTION 75-67-435,  
4 MISSISSIPPI CODE OF 1972, TO REVISE THE AMOUNT OF THE EXAMINATION  
5 FEE WHICH MAY BE CHARGED BY THE COMMISSIONER OF BANKING AND  
6 CONSUMER FINANCE FOR EXAMINING THE RECORDS OF A TITLE PLEDGE  
7 LENDER; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 75-67-421, Mississippi Code of 1972, is  
10 amended as follows:

11 75-67-421. (1) To be eligible for a title pledge lender  
12 license, an applicant shall:

13 (a) Operate lawfully and fairly within the purposes of  
14 this article;

15 (b) Not have been convicted of a felony in the last ten  
16 (10) years or be active as a beneficial owner for someone who has  
17 been convicted of a felony in the last ten (10) years;

18 (c) File with the commissioner a bond with good  
19 security in the penal sum of Fifty Thousand Dollars (\$50,000.00)  
20 for each location at which the applicant proposes to engage in the  
21 business of title pledge lending, but in no event shall the bond  
22 be required to exceed Two Hundred Fifty Thousand Dollars  
23 (\$250,000.00); the bond shall be payable to the State of  
24 Mississippi for the faithful performance by the licensee of the  
25 duties and obligations pertaining to the business so licensed and  
26 the prompt payment of any judgment which may be recovered against  
27 the licensee on account of damages or other claim arising directly  
28 or collaterally from any violation of the provisions of this  
29 article; the bond shall not be valid until it is approved by the



30 commissioner; the applicant may file, in lieu thereof, cash, a  
31 certificate of deposit, or government bonds in the amount of  
32 Twenty-five Thousand Dollars (\$25,000.00) for each location at  
33 which the applicant proposes to engage in the business of title  
34 pledge lending, but in no event shall the cash, certificate of  
35 deposit or government bonds be required to exceed Two Hundred  
36 Fifty Thousand Dollars (\$250,000.00); the deposit of the cash,  
37 certificate of deposit or government bonds shall be filed with the  
38 commissioner and is subject to the same terms and conditions as  
39 are provided for in the surety bond required herein; any interest  
40 or earnings on such deposits are payable to the depositor.

41 (d) File with the commissioner an application  
42 accompanied by a set of fingerprints from any local law  
43 enforcement agency, and the initial license fee required in this  
44 article. In order to determine the applicant's suitability for  
45 license, the commissioner shall forward the fingerprints to the  
46 Department of Public Safety; and if no disqualifying record is  
47 identified at the state level, the fingerprints shall be forwarded  
48 by the Department of Public Safety to the FBI for a national  
49 criminal history record check.

50 (2) Upon the filing of an application in a form prescribed  
51 by the commissioner, accompanied by the fee and documents required  
52 in this article, the department shall investigate to ascertain  
53 whether the qualifications prescribed by this article have been  
54 satisfied. If the commissioner finds that the qualifications have  
55 been satisfied and, if he approves the documents so filed by the  
56 applicant, he shall issue to the applicant a license to engage in  
57 the business of title pledge lending in this state.

58 (3) Complete and file with the commissioner an annual  
59 renewal application accompanied by the renewal fee required in  
60 this article.

61 (4) The license shall be kept conspicuously posted in the  
62 place of business of the licensee.



63           **SECTION 2.** Section 75-67-435, Mississippi Code of 1972, is  
64 amended as follows:

65           75-67-435. (1) The Commissioner of Banking and Consumer  
66 Finance shall develop and provide any necessary forms to carry out  
67 the provisions of this article.

68           (2) The department may adopt reasonable administrative  
69 regulations, not inconsistent with law, for the enforcement of  
70 this article.

71           (3) To assure compliance with the provision of this article,  
72 the department may examine the books and records of any licensee  
73 without notice during normal business hours. The commissioner may  
74 charge the licensee an examination fee in an amount not less than  
75 Three Hundred Dollars (\$300.00) nor more than Six Hundred Dollars  
76 (\$600.00) for each office or location within the State of  
77 Mississippi, plus any actual expenses incurred while examining the  
78 licensee's records or books that are located outside the State of  
79 Mississippi. However, in no event shall a licensee be examined  
80 more than once in a two-year period unless for cause shown based  
81 upon consumer complaint and/or other exigent reasons as determined  
82 by the commissioner.

83           (4) On or before July 1, 2007, the commissioner shall file  
84 with the Chairman of the Senate Business and Financial  
85 Institutions Committee and the Chairman of the House Banking  
86 Committee a report containing the total number of examinations or  
87 audits of licensees conducted by the department for each year, the  
88 total cost of such examinations, the number of examinations  
89 grouped by range of costs, and any other information the  
90 commissioner deems relevant to substantiate the examination fee  
91 authorized in this section.

92           (5) This section shall stand repealed from and after July 1,  
93 2007.

94           **SECTION 3.** This act shall take effect and be in force from  
95 and after July 1, 2003.

