

By: Senator(s) Tollison

To: Business and Financial
Institutions

SENATE BILL NO. 2581

1 AN ACT TO AMEND SECTION 75-67-519, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE CHECK CASHER LICENSEES TO ACCEPT DURING THE DEFERMENT
3 PERIOD PARTIAL REPAYMENTS OF AMOUNTS OWED BY CUSTOMERS; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** Section 75-67-519, Mississippi Code of 1972, is
7 amended as follows:

8 75-67-519. (1) A licensee may defer the deposit of a
9 personal check cashed for a customer for up to thirty (30) days
10 under the provisions of this section.

11 (2) The face amount of any delayed deposit check cashed
12 under the provisions of this section shall not exceed Four Hundred
13 Dollars (\$400.00). Each customer is limited to a maximum amount
14 of Four Hundred Dollars (\$400.00) at any time.

15 (3) Each delayed deposit check cashed by a licensee shall be
16 documented by a written agreement that has been signed by the
17 customer and the licensee. The written agreement shall contain a
18 statement of the total amount of any fees charged, expressed as a
19 dollar amount and as an annual percentage rate. The written
20 agreement shall authorize the licensee to defer deposit of the
21 personal check until a specific date not later than thirty (30)
22 days from the date the check is cashed.

23 (4) A licensee shall not directly or indirectly charge any
24 fee or other consideration for cashing a delayed deposit check in
25 excess of eighteen percent (18%) of the face amount of the check.

26 (5) No check cashed under the provisions of this section
27 shall be repaid by the proceeds of another check cashed by the
28 same licensee or any affiliate of the licensee. A licensee shall

29 not renew or otherwise extend any delayed deposit check. However,
30 at any point during the deferment period specified by the written
31 agreement, a licensee must accept a partial repayment of Fifty
32 Dollars (\$50.00) or more, and that accepted payment shall reduce
33 the total authorized amount due and owing by the customer.

34 (6) A licensee shall not offer discount catalog sales or
35 other similar inducements as part of a delayed deposit
36 transaction.

37 (7) A licensee shall not charge a late fee or collection fee
38 on any deferred deposit transaction as a result of a returned
39 check or the default by the customer in timely payment to the
40 licensee. Notwithstanding anything to the contrary contained in
41 this section, a licensee may charge a processing fee, not to
42 exceed an amount authorized by the commissioner, for a check
43 returned for any reason, including, without limitation,
44 insufficient funds, closed account or stop payment, if such
45 processing fee is authorized in the written agreement signed by
46 the customer and licensee. In addition, if a licensee takes legal
47 action against a customer to collect the amount of a delayed
48 deposit check for which the licensee has not obtained payment and
49 obtains a judgment against the customer for the amount of that
50 check, the licensee shall also be entitled to any court-awarded
51 fees.

52 (8) When cashing a delayed deposit check, a licensee may pay
53 the customer in the form of the licensee's business check or a
54 money order; however, no additional fee may then be charged by the
55 licensee for cashing the licensee's business check or money order
56 issued to the customer.

57 **SECTION 2.** This act shall take effect and be in force from
58 and after July 1, 2004.