

By: Representative Guice

To: Banking and Financial Services; Appropriations

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 715

1 AN ACT TO AMEND SECTION 75-67-121, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE SMALL LOAN LICENSEES TO OFFER BORROWERS THE
3 OPPORTUNITY TO PURCHASE AUTO CLUB MEMBERSHIPS, PROVIDED THAT THE
4 PURCHASE IS OPTIONAL AND NOT REQUIRED AS A CONDITION OF RECEIVING
5 ANY LOAN OR OTHER EXTENSION OF CREDIT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 75-67-121, Mississippi Code of 1972, is
8 amended as follows:

9 75-67-121. Any licensee under this article may charge any
10 borrower on loans of One Hundred Dollars (\$100.00) or more the
11 actual cost of recording any instrument executed as security for a
12 loan; any reasonable fee paid to an attorney for investigating the
13 title to any property given as security for a loan; the actual
14 cost of any premium paid for insurance upon any property given as
15 security for a loan, such insurance to be placed with an insurance
16 company agent of the borrower's selection so long as it is
17 licensed to do business in the State of Mississippi; the actual
18 cost of any premium paid for life, health and/or accident
19 insurance on any borrower where the amount of insurance required
20 is not in excess of the amount of the loan and the premium for the
21 insurance is in keeping with that usually and customarily paid for
22 like insurance.

23 In addition, the licensee may offer the borrower the
24 opportunity to purchase an auto club membership, provided that the
25 purchase is optional and not required as a condition of receiving
26 any loan or other extension of credit. The licensee shall allow
27 the borrower to pay the cost of the membership using funds other

28 than the proceeds of a loan or have the cost deducted from the
29 proceeds of any loan obtained from the licensee.

30 Whenever he * * * finds it necessary, the commissioner shall
31 have the power to adopt and enforce reasonable rules and
32 regulations to prevent the abuse of this section and the making of
33 excessive charges under this section.

34 **SECTION 2.** This act shall take effect and be in force from
35 and after July 1, 2005.