

By: Senator(s) Mettetal, Gordon, Chaney, Robertson, Michel, Burton, Moffatt, Hewes, Pickering, Walley, Dearing, Kirby, White, Thomas, Carmichael, King, Browning, Flowers, Jackson (15th), Jackson (32nd), Ross, Clarke, Doxey, Davis, Wilemon, Lee (35th), Brown, Morgan

To: Business and Financial Institutions

SENATE BILL NO. 2374

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 of  
31 Banking and Consumer Finance shall have the power to adopt and  
32 enforce reasonable rules and regulations to prevent the abuse of  
33 this section and the making of excessive charges under this  
34 section.

35 **SECTION 2.** This act shall take effect and be in force from  
36 and after July 1, 2006.