AN ACT TO CREATE THE "MISSISSIPPI ALTERNATIVE LOAN ACT"; TO DEFINE CERTAIN TERMS; TO PROHIBIT ANY PERSON FROM ENGAGING IN THE BUSINESS OF LENDING MONEY, EXCEPT AS AUTHORIZED BY THIS ACT; TO PROVIDE FOR APPLICATIONS FOR A LICENSE FOR THOSE LOANS; TO AUTHORIZE LICENSING FEES; TO PROVIDE FOR THE REVOCATION OR SUSPENSION OF LICENSES BY THE COMMISSIONER OF BANKING AND CONSUMER FINANCE; TO AUTHORIZE AN EXAMINATION FEE; TO PROVIDE RECORD KEEPING REQUIREMENTS; TO AUTHORIZE THE COMMISSIONER TO PROMULGATE RULES AND REGULATIONS FOR ADMINISTRATION OF THIS ACT; TO AUTHORIZE CERTAIN LOAN CHARGES BY THE LICENSEE; TO PRESCRIBE CERTAIN TERMS OF THE LOAN CONTRACT; TO REQUIRE ALL BORROWER CONTRACTS AND RECORDS OF THE LICENSEE TO BE OPEN TO THE INSPECTION OF THE COMMISSIONER OR HIS DULY AUTHORIZED REPRESENTATIVES; TO PROVIDE THAT CERTAIN FINANCE CHARGES CONTRACTED FOR OR RECEIVED IN EXCESS OF THAT AUTHORIZED BY THIS ACT SHALL BE FORFEITED AND MAY BE RECOVERED; AND FOR RELATED PURPOSES.

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

SECTION 1. This act shall be known and may be cited as the "Mississippi Alternative Loan Act."

SECTION 2. (1) The Legislature finds and declares as follows:

(a) There exists among citizens of this state a demand for loans in amounts less than One Thousand Dollars ($1,000.00). The scope and intensity of this demand have been increased progressively by many social and economic forces;

(b) The expense of making and collecting loans in those certain amounts, which are usually made on comparatively unsubstantial security to wage earners, salaried employees and other persons, is necessarily high in relation to the amounts lent;

(c) Those loans cannot be made profitably under the limitations imposed by existing laws relating to interest and
usury. These limitations have tended to exclude lawful enterprises from the small loan field;

(2) It is the intent of the Legislature in enacting this law to provide for an act to permit and govern an alternative loan offering to the citizens of this state in order to meet the demands described in this section.

SECTION 3. The following words and phrases, when used in this act, shall have the following meanings, except where the context clearly describes and indicates otherwise:

(a) "Person" means and includes every natural person, firm, corporation, partnership, joint-stock or other association or organization, and any other legal entity whatsoever.

(b) "License" means a license issued under the authority of this act to make loans in accordance with the provisions of this act at a single place of business.

(c) "Licensee" means a person or entity duly licensed by the commissioner under this chapter.

(d) "Commissioner" means the Commissioner of Banking and Consumer Finance of the State of Mississippi.

(e) "Department" means the Department of Banking and Consumer Finance of the State of Mississippi.

(f) "Cash advance" means the amount of cash or its equivalent that the borrower actually receives or is paid at his direction or on his behalf.

(g) "Finance charges" mean the total of all acquisition charges and installment account handling charges.

SECTION 4. (1) Except as otherwise provided in subsection (3) of this section, no person may engage in the business of lending money except as authorized in this act in the amounts provided in this act without being the holder of a valid, current license to engage in that business and furnishing the requisite bond.
(2) Every person engaged in the business of lending money as authorized by this act shall have a physical office located in the State of Mississippi. A separate license is required for each office doing business in the State of Mississippi.

(3) This act shall not apply to the following:

(a) Any person doing business under the authority of, and as permitted by, any law of this state or of the United States relating to banks, trust companies, savings or building and loan associations, savings associates, savings banks or credit unions;

(b) Any Mississippi licensed small loan, pawnbroker, title pledge lending or check-cashing business;

(c) Any person making loans to their tenants engaged in agriculture;

(d) Loans by agricultural suppliers to persons whose principal business is farming;

(e) Agricultural credit corporations or associations organized under an act of the Congress of the United States;

(f) The business of financing the purchase of motor vehicles, refrigerators or other personal property; or

(g) Loans insured or guaranteed by the United States or any of its agencies.

(4) The provisions of subsection (1) shall apply to any person who seeks to evade its application by any device, subterfuge or pretense whatsoever, including, but not limited to the generality of the foregoing: (a) the loan, forbearance, use or sale of credit (as guarantor, surety, endorser, comaker or otherwise), money, goods or things in action; (b) the use of collateral or related sales or purchases of goods or services or agreements to sell or purchase, whether real or pretended; (c) receiving or charging compensation for goods or services, whether or not sold, delivered or provided; and (d) the real or pretended negotiation, arrangement or procurement of a loan through any use of activity of a third person, whether real or fictitious.
(5) Whoever violates, or participates in the violation of, any provision of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine of not more than One Thousand Dollars ($1,000.00), or by imprisonment in the county jail for not more than six (6) months, or by both such fine and imprisonment. Any contract of loan, in the making or collection of which any act has been done that violates this section, shall be void, and the lender shall have no right to collect, receive or retain any principal or charges whatsoever.

(6) The commissioner may impose a civil penalty against any license adjudged by the commissioner to be in violation of the provisions of this act. The civil penalty against any licensee shall not exceed Five Hundred Dollars ($500.00) per violation and shall be deposited into the Consumer Finance Fund of the Department of Banking and Consumer Finance.

SECTION 5. (1) Application for a license shall be in writing, under oath and in the form prescribed by the commissioner. The application shall give the location where the business will be conducted and shall contain any other relevant information as the commissioner may require, including the names and addresses of the partners, officers, directors or trustees and of the principal owners or members as will provide the basis for the investigations and findings contemplated by Section 6 of this act. No license shall be given to any who has applicant who has been convicted of a felony in the last ten (10) years or who is active as a beneficial owner for someone who has been convicted of a felony in the last ten (10) years.

(2) With each initial application for a license, the applicant shall pay to the commissioner at the time of making the application a license fee of Seven Hundred Fifty Dollars ($750.00), and on or before September 1 of each year thereafter, an annual renewal fee of Four Hundred Seventy-five Dollars ($475.00). If the annual renewal fee remains unpaid after...
September 30, the license shall expire on that date. If any licensee fails to pay the annual renewal fee before the thirtieth day of September of any year for which the renewal fee is due, then the licensee shall be liable for the full amount of the license fee, plus a penalty in an amount not to exceed Twenty-five Dollars ($25.00) for each day that the licensee has engaged in business after September 30. All licensing fees and penalties shall be paid into the Consumer Finance Fund of the Department of Banking and Consumer Finance.

(3) There shall be presented and filed with the application a good and sufficient bond in the principal amount of Ten Thousand Dollars ($10,000.00), payable to the State of Mississippi for the faithful performance by the licensee of the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment that may be recovered against the licensee on account of charges or other claims arising directly or collectively from any violation of the provisions of this act. The bond shall not be valid until it is approved by the commissioner. The applicant may file, in lieu of the bond, cash, a certificate of deposit or government bonds in the amount of Ten Thousand Dollars ($10,000.00). Those deposits shall be filed with the commissioner and are subject to the same terms and conditions as are provided for in the surety bond required in this subsection. Any interest or earnings on those deposits are payable to the depositor.

(4) The application shall be accompanied by a set of fingerprints of the applicant from any law enforcement agency. In order to determine the applicant's suitability for license, the commissioner shall forward the fingerprints to the Department of Public Safety; and if no disqualifying record is identified at the state level, the fingerprints shall be forwarded by the Department of Public Safety to the FBI for a national criminal history record check.
(5) Each application shall be accompanied by sworn financial statements of the applicant showing a net worth of at least Twenty Thousand Dollars ($20,000.00) for the first license. The applicant shall possess and maintain a net worth of at least Twenty Thousand Dollars ($20,000.00) for the first license and at least Five Thousand Dollars ($5,000.00) for each additional license.

SECTION 6. (1) Upon the filing of the application and the payment of the prescribed fees, the commissioner shall investigate the facts concerning the application and the requirements provided in subsection (2) of this section.

(2) If the commissioner finds that the liquid assets, financial responsibility, experience, character and the general fitness of the applicant are such as to warrant the belief that the business will be operated lawfully, honestly, fairly and efficiently, within the purposes of this act, and that allowing the applicant to engage in the business would promote the convenience and advantage of the community in which the business of the applicant is to be conducted, he shall approve the application, file his findings with the department and forthwith issue and deliver a license to the applicant.

(3) If the commissioner does not so find, he shall notify the applicant in writing who may request a hearing on the application. The request for a hearing shall be within thirty (30) days of the rejection. After the hearing or if no hearing is demanded, the commissioner may deny the application by written order accompanied by his findings of fact and shall deliver a copy of such to the applicant. The initial license fee shall be retained by the commissioner.

SECTION 7. (1) Each license shall state the address at which the business is to be conducted and shall state the full name of the licensee. Each license shall be kept conspicuously...
posted in the licensed place of business and shall not be transferable or assignable.

(2) Each license shall remain in full force and effect for one (1) year or until surrendered, revoked or suspended as provided in this act.

SECTION 8. (1) Not more than one (1) place of business may be maintained under the same license, but the commissioner may issue additional licenses to the same licensee upon his compliance with all the provisions of this act governing the issuance of the first or original license.

(2) No change in the place of business of a licensee to a location outside of the original licensed location shall be permitted under the same license. When a licensee wishes to change his place of business, he shall give written notice thereof to the commissioner who shall investigate the facts and, if he finds that the proposed location is reasonably accessible to borrowers under existing loan contracts, shall permit the change and shall amend the license accordingly. If the commissioner does not so find, he shall deny the licensee that permission in the manner specified in and subject to the provisions of Section 6 of this act.

(3) Nothing in this act shall be construed to restrict the loans of any licensee to residents of the community in which the licensed place of business is situated.

SECTION 9. (1) The commissioner may revoke any license issued under this act if he finds that:

(a) The licensee has failed to pay the annual renewal fee;

(b) The licensee, either knowingly or without the exercise of due care to prevent the same, has violated any provisions of this act or any regulation or order lawfully made by the commissioner under and within the authority of this act;
(c) Any fact or condition exists that, if it had existed or had been known to exist at the time of the original application for the license, clearly would have justified the commissioner in refusing originally to issue the license; however, the license shall not be revoked because of convenience and advantage; or

(d) The licensee is guilty of using unreasonable collection tactics.

(2) If the commissioner finds that probable cause for
revocation of any license exists and that enforcement of this act requires immediate suspension of the license pending investigation, he may, upon three (3) days' written notice and a hearing, enter an order suspending the license for a period not exceeding thirty (30) days.

(3) Whenever the commissioner revokes or suspends a license, he shall enter an order to that effect and forthwith notify the licensee of the revocation or suspension. Within five (5) days after the entry of such an order, he shall file with the department his findings and a summary of the evidence supporting them, and he shall forthwith deliver a copy thereof to the licensee.

(4) Any licensee may surrender any license by delivering it to the commissioner with written notice of its surrender, but the surrender shall not affect the licensee's civil or criminal liability for acts committed before the surrender.

(5) No revocation, suspension or surrender of any license shall impair or affect the obligation of any preexisting contract between the licensee and any borrower.

(6) The commissioner may reinstate suspended licenses or issue new licenses to a person whose license or licenses have been revoked if no fact or condition then exists that clearly would have justified the commissioner in refusing originally to issue the license under this act.
(7) The commissioner, upon sworn complaint of any borrower, shall investigate or cause to be investigated any alleged violation of this act.

**SECTION 10.** (1) The commissioner may charge the licensee an examination fee in an amount not less than Three Hundred Dollars ($300.00) nor more than Six Hundred Dollars ($600.00) for each office or location within the State of Mississippi, plus any actual expenses incurred while examining the licensee's records or books that are located outside the State of Mississippi. However, in no event shall the licensee be examined more than once in a two-year period unless for cause shown based upon consumer complaint and/or other exigent reasons as determined by the commissioner.

(2) All fees paid to the commissioner shall be deposited into the Consumer Finance Fund of the Department of Banking and Consumer Finance.

(3) For the purpose of discovering violations of this act or of securing information lawfully required under this act, the commissioner or his duly authorized representatives may at any time investigate the business and examine the books, accounts, papers and records used in the business of: (a) any licensee; (b) any other person engaged in the business described in Section 4(1) of this act or participating in the business as principal, agent, broker or otherwise; and (c) any person who the commissioner has reasonable cause to believe is violating or is about to violate any provisions of this act, whether or not the person claims to be within the authority or beyond the scope of this act. For purposes of this section, any person who advertises for, solicits or holds himself out as willing to make loan transactions in the amount of less than One Thousand Dollars ($1,000.00) under this act shall be presumed to be engaged in the business described in Section 4(1) of this act, unless exempted by Section 4(3) of this act.
(4) For the purposes of this act, the commissioner or his duly authorized representatives shall have and be given free access to the offices and places of business, files, safes and vaults of all those persons and may require the attendance of any person and to examine him under oath relative to the loans or the business or to the subject matter of any examination, investigation, or hearing.

(5) Whenever the commissioner has reasonable cause to believe that any person is violating or is threatening to or intends to violate any provision of this act, he may, in addition to all actions provided for in this act and in addition to all other remedies that he may have at law and without prejudice thereto, enter an order requiring that person to desist or to refrain from that violation, and an action may be brought on behalf of the Attorney General or commissioner to enjoin the person from engaging in or continuing the violation or from doing any act or acts in furtherance of the violation. In any action, an order or judgment may be entered awarding the preliminary or final injunction as may be deemed proper. In addition to all other means provided by law for the enforcement of a restraining order or injunction, the court in which the action is brought shall have the power and jurisdiction to impound and to appoint a receiver for the property and business of the defendant, including books, papers, documents and records pertaining to the property or business or so much thereof as the court may deem reasonably necessary to prevent violations of this act through or by means of the use of the property and business. The receiver, when appointed and qualified, shall have any powers and duties as to custody, collection, administration, winding up and liquidation of the property and business as may from time to time be conferred upon him by the court.

(6) Reports of examinations and investigations of the commissioner, and the books and records of licensees are to be
SECTION 11. Each licensee shall keep and use in his business any books, accounts and records as will enable the commissioner to determine whether the licensee is complying with the provisions of this act and with the orders and regulations lawfully made by the commissioner under this act. Each licensee shall preserve those books, accounts and records for at least two (2) years after making the final entry on any loan recorded therein.

SECTION 12. The commissioner shall have the power and authority to adopt, promulgate and issue any rules and regulations, not inconsistent with this act or some other statute, as he deems necessary for the purpose of the administration of the act. All rules and regulations promulgated by the commissioner shall be filed and adopted in accordance with the Mississippi Administrative Procedures Law, Section 25-43-1.101 et seq. Any licensee whose practices are consistent with any regulation or written interpretation shall not be liable for any violation of this act, even though the rule, or interpretation thereof, is ruled invalid for any reason by a court of competent jurisdiction.

SECTION 13. (1) No licensee or other person subject to this act shall advertise, display, distribute or broadcast or cause to permit to be advertised, displayed, distributed or broadcast in any manner whatsoever any false, misleading or deceptive statement or representation with regard to the rates, terms or conditions for loans in the amount of less than One Thousand Dollars ($1,000.00) under this act. The commissioner may require that charges or rates of charge, if stated by a licensee, be stated fully and clearly in any manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. The commissioner may require the posting of those rates with a
statement that the location is supervised by the Department of Banking and Consumer Finance followed by a toll free contact telephone number. The commissioner may permit or require licensees to refer in their advertising to the fact that their business is under state supervision, subject to conditions imposed by him to prevent an erroneous impression as to the scope or degree of protections provided by this act.

(2) Each licensee shall conspicuously display in each licensed place of business a full and accurate schedule of the rates of charge upon all classes of loans currently to be made by him.

SECTION 14. (1) Every licensee under this act may contract for and receive charges on any loan of money less than One Thousand Dollars ($1,000.00) in an amount at a rate not exceeding the following:

(a) A licensee may charge an acquisition charge for making the loan in an amount not exceeding ten percent (10%) of the amount of the principal.

(b) A licensee may charge an installment account handling charge in an amount not exceeding the following:

(i) Twelve Dollars ($12.00) per month on any loan of an amount of not less than One Hundred Dollars ($100.00), but not more than Three Hundred Dollars ($300.00).

(ii) Fourteen Dollars ($14.00) per month on any loan of an amount of more than Three Hundred Dollars ($300.00), but not more than Four Hundred Dollars ($400.00).

(iii) Sixteen Dollars ($16.00) per month on any loan of an amount of more than Four Hundred Dollars ($400.00), but not more than Five Hundred Dollars ($500.00).

(iv) Seventeen Dollars ($17.00) per month on any loan of an amount of more than Five Hundred Dollars ($500.00), but not more than Eight Hundred Dollars ($800.00).
(v) Twenty Dollars ($20.00) per month on any loan
of an amount of more than Eight Hundred Dollars ($800.00), but
less than One Thousand Dollars ($1,000.00).

(2) (a) When any loan contract is paid in full by cash, a
new loan, renewal or otherwise, one (1) month or more before the
final installment date, the licensee shall refund or credit the
borrower with that portion of the installment account handling
charge, which shall be due to the borrower as determined by
schedules prepared under the rule of seventy-eighths or sum of the
digits principle as follows: The amount of the refund or credit
shall be as great a proportion of the total charges originally
contracted for as the sum of the periodic time balances of the
contract scheduled to follow the date of prepayment bears to the
sum of all the periodic time balances of the contract, both sums
to be determined according to the payment schedule originally
contracted for. No refund of less than One Dollar ($1.00) need be
made. The acquisition charge shall not be subject to refund.

(b) If the borrower repays the loan in full within
three (3) business days following the date of the loan, then all
charges of every kind shall be refunded including the acquisition
charge.

(3) If the contract so provides, when a scheduled payment is
in default or delinquent for ten (10) or more days, the licensee
shall charge and collect an additional late charge not to exceed
the greater of Ten Dollars ($10.00) or five percent (5%) of the
amount of the scheduled payment in default. Each of the late
charges permitted under this subsection may be collected only once
on any scheduled payment, regardless of the period during which
the payment remains in default or is delinquent.

(4) In addition to the general authority granted to him by
Section 12 of this act, the commissioner may make any rules and
regulations as he may deem necessary or advisable to insure that
rebates and default charges are so computed, paid to or collected
from borrowers that the total charges collected by licensees under this section are substantially equivalent to charges authorized to be collected by licensees under this section.

(5) The licensee may collect from the borrower the actual fees paid to a public official or agency of the state for filing, recording or releasing any instrument securing the loan.

(6) The minimum term of any loan made under this act is three (3) months and the maximum term of any loan made under this act is twelve (12) months. Every loan contract shall require payment of the cash advance and charges in installments, which shall be payable at approximately equal periodic intervals. The scheduled payments shall be in amounts equal to or greater than Forty Dollars ($40.00) per month, inclusive of the installment account handling charge. The acquisition charge and the installment account handling charge may be calculated for the term of the contract and added to the amount of the principal. The acceptance or payment of charges on loans made under this act shall not be deemed to constitute payment, deduction or receipt thereof in advance nor compounding under this act. No installment contracted for shall be substantially larger than any preceding installment.

(7) The licensee may require, within the contract, payment by the debtor of any actual assessed court costs in any civil action brought by licensee to enforce the contract.

(8) Any licensee who receives a check, draft, negotiable order of withdrawal or like instrument drawn on a bank or other depository institution given by any person in full or partial payment of a loan or other extension of credit may, if the instrument is not paid or is dishonored by the institution, charge and collect from the borrower or person to whom the credit was extended, a bad check charge in an amount not to exceed the sum of Fifteen Dollars ($15.00). This charge may be made only once with respect to the same instrument, and after the nonpayment or
dishonor of the instrument, it shall be returned by the licensee
to the borrower or person to whom credit was extended. This charge
shall not be deemed to be a finance charge or other charge made as
an incident to or as a condition to the grant of the loan or other
extension of credit and shall not be included in determining the
limit on charges that may be made in connection with the loan or
extension of credit as provided in this act or in any other law of
this state.

(9) The licensee shall be entitled to receive any assessed
court costs in connection with the collection of any loan. No
insurance charge, nor any other charge of any nature whatsoever,
is permitted for loans made in accordance with the rate structure
of this section, except for those charges and fees permitted in
this section.

(10) The loan charges allowed under this section may not be
imposed on more than one (1) outstanding loan to a borrower with
the licensee and upon which loan charges were imposed under this
section.

(11) No licensee shall file a claim against a decedent
borrower's estate for any unpaid indebtedness for a loan made
under this section.

SECTION 15. (1) Every licensee shall:

(a) At the time a loan is made, deliver to the borrower
a copy of the loan contract, executed by the borrower, in language
in clear and distinct terms:

(i) The name and address of the lender and the
borrower on the loan.

(ii) The date of the loan contract and the period
of time for which the loan is extended.

(iii) Schedule of installments or description
thereof.

(iv) The cash advance.
(v) The total amount of the note evidencing the loan.
(vi) The finance charges allowed by this act.
(vii) The amount collected or paid for filing and other fees allowed by this act.
(viii) The collateral or security for the loan.
(ix) The federal annual percentage rate.

(b) Give to the person making any cash payment on the account of any loan, a receipt at the time the payment is made, which receipt need only show the total amount of the cash payment. No receipt shall be required in the case of payments made by the borrower's check or money order, and the use of a coupon book system shall be deemed in compliance with this section.

(c) Permit the payment to be made in advance in any amount on any contract of loan at any time during a licensee's regular business hours.

(d) Upon repayment of the loan in full, mark plainly every obligation and security signed by any borrower with the word "Paid" or "Cancelled," and release any lien and cancel and return any note and any assignment given to the licensee.

(2) No licensee shall take any note or promise to pay that does not disclose the total amount to be repaid, a schedule of payments or a description thereof and the agreed rate or aggregate amount of charge, nor any instrument in which blanks are left to be filled in after execution.

(3) Every loan contract shall provide for repayment of principal and charges at approximately equal periodic intervals of time, which shall be so arranged that no installment is substantially greater in amount than any preceding installment.

(4) Absent other factors, a loan transaction does not create a confidential relationship between the borrower and the licensee nor does it give rise to or create a fiduciary duty on the part of the licensee.
SECTION 16. All borrower contracts and records of the licensee shall be open to the inspection of the commissioner or his duly authorized representatives at all times during regular business hours. Those records shall be kept for a period of twenty-four (24) months after the final transaction on the loan.

Any action brought against a licensee by any person on account of the violation or alleged violation of any of the provisions of this act with reference to any loan transaction shall be brought within twenty-four (24) months after the date of the final maturity date of the loan, and not thereafter.

SECTION 17. (1) No licensee shall conduct the business of making loans provided for by this act under any name or at any place of business within this state other than stated in the license. Nothing in this section shall prevent the making of loans by mail nor prohibit accommodations to individual borrowers when necessitated by sickness or other emergency situations.

(2) No licensee shall take a lien upon real estate as security for any loan made under this act, except a lien as is created by law through the entry or recording of a judgment.

SECTION 18. In addition to any other remedy he may have, any licensee and any person considering himself aggrieved by any act or order of the commissioner under this act may, within thirty (30) days from the entry of the order complained of, or within sixty (60) days of the act complained of if there is no order, petition the Chancery Court of the First Judicial District of Hinds County for review of the act or order. The petition shall be docketed, heard and tried in the same manner as other extraordinary writs issued by the court and a copy of the petition and order setting the same for hearing shall be served on the commissioner, giving him notice of the time and place of the hearing as may be directed by the court.

SECTION 19. Except where other specific remedies are provided in this act for violations, in which event those remedies
shall apply, any provision of a loan contract that violates this act shall be unenforceable by the licensee to the extent, but only to the extent, of the violation, and the other remaining provisions and agreements shall be enforceable and shall not be void and shall not be affected by the violation.

**SECTION 20.** This act or any part thereof may be modified, amended or repealed so as to effect a cancellation or alteration of any license or right of a licensee hereunder under this act; however, the cancellation or alteration shall not impair or affect the obligation of any preexisting lawful contract between any licensee and any borrower.

**SECTION 21.** If any finance charge in excess of that expressly permitted by Section 14 of this act is contracted for or received, all finance charges and other charges shall be forfeited and may be recovered, whether the contract is executed or executory. If any finance charge is contracted for or received that exceeds the maximum finance charge authorized by law by more than one hundred percent (100%), the principal and all finance charges and other charges shall be forfeited and any amount paid may be recovered by suit; in addition, the licensee and the several members, officers, directors, agents and employees thereof who shall have participated in the violation shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than One Thousand Dollars ($1,000.00) and not less than One Hundred Dollars ($100.00), in the discretion of the court; and the Commissioner of Banking and Consumer Finance shall forthwith cite the licensee to show cause why its license should not be revoked.

**SECTION 22.** This act shall take effect and be in force from and after July 1, 2011.