

By: Representative Evans (91st)

To: Banking and Financial Services

HOUSE BILL NO. 216

1 AN ACT TO AMEND SECTIONS 75-67-313, 75-67-413 AND 75-67-519,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MAXIMUM AMOUNT THAT
3 PAWNBROKERS, TITLE PLEDGE LENDERS AND CHECK CASHERS MAY CHARGE FOR
4 THEIR SERVICES SHALL NOT EXCEED AN ANNUAL PERCENTAGE RATE OF 25%
5 PER ANNUM ON THE AMOUNT OF THE PRINCIPAL AMOUNT THAT REMAINS
6 UNPAID; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 75-67-313, Mississippi Code of 1972, is
9 amended as follows:

10 75-67-313. (1) A pawnbroker may contract for and receive a
11 pawnshop charge * * * for all services, expenses, cost and losses
12 of every nature not to exceed an annual percentage rate of
13 twenty-five percent (25%) per annum on the amount of the principal
14 amount that remains unpaid.

15 (2) Any interest, charge, or fees contracted for or
16 received, directly or indirectly, in excess of the amount
17 permitted under subsection (1) of this section shall be
18 uncollectible and the pawn transaction shall be void. * * *

19 **SECTION 2.** Section 75-67-413, Mississippi Code of 1972, is
20 amended as follows:

21 75-67-413. (1) A title pledge lender may contract for and
22 receive a title pledge service charge * * * for all services,
23 expenses, cost and losses of every nature not to exceed an annual
24 percentage rate of twenty-five percent (25%) per annum on the
25 amount of the principal amount that remains unpaid.

26 (2) Any interest, charge or fees contracted for or received,
27 directly or indirectly, in excess of the amount permitted under



28 subsection (1) of this section shall be uncollectible and the
29 title pledge transaction shall be void. * * *

30 (3) By agreement of the parties, the maturity date of the
31 title pledge transaction may be extended or continued for
32 thirty-day periods, provided that the service charges as specified
33 in subsection (1) are not exceeded for any extensions. All
34 extensions or continuations of the title pledge transaction shall
35 be evidenced in writing. No accrued interest or service charge
36 shall be capitalized or added to the original principal of the
37 title pledge transaction during any extension or continuation.
38 Beginning with the first extension or continuation and at each
39 successive extension or continuation thereafter, the pledgor shall
40 be required to reduce the principal amount financed by at least
41 ten percent (10%) of the original principal amount of the title
42 pledge transaction. Notwithstanding any provision in this article
43 to the contrary, if the pledgor fails to pay at least ten percent
44 (10%) of the original principal amount at any such extension or
45 continuation, the title pledge lender may, at its option, either
46 (a) declare the outstanding principal and any service charges to
47 be immediately due and payable, or (b) allow the transaction to be
48 extended or continued, provided that the title pledge lender shall
49 reduce the principal amount of the loan by ten percent (10%) of
50 the original principal amount solely for the purposes of
51 calculating its service charge. This reduction in principal shall
52 continue to be owing by the pledgor in accordance with the title
53 pledge transaction, but that amount shall not be entitled to
54 accrue interest or service charges thereafter.

55 (4) Any additional payment of funds on the same pledged
56 property must be evidenced by a separate title pledge agreement.
57 A title pledge lender shall not advance funds to a pledgor to pay
58 off an existing title pledge agreement.

59 **SECTION 3.** Section 75-67-519, Mississippi Code of 1972, is
60 amended as follows:



61 75-67-519. (1) A licensee may defer the deposit of a
62 personal check cashed for a customer for up to thirty (30) days
63 under the provisions of this section.

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

68 (3) Each delayed deposit check cashed by a licensee shall be
69 documented by a written agreement that has been signed by the
70 customer and the licensee. The written agreement shall contain a
71 statement of the total amount of any fees charged, expressed as a
72 dollar amount and as an annual percentage rate. The written
73 agreement shall authorize the licensee to defer deposit of the
74 personal check until a specific date not later than thirty (30)
75 days from the date the check is cashed.

76 (4) A licensee shall not directly or indirectly charge any
77 fee or other consideration for cashing a delayed deposit check in
78 excess of an annual percentage rate of twenty-five percent (25%)
79 per annum on the amount of the face amount of the check that
80 remains unpaid.

81 (5) No check cashed under the provisions of this section
82 shall be repaid by the proceeds of another check cashed by the
83 same licensee or any affiliate of the licensee. A licensee shall
84 not renew or otherwise extend any delayed deposit check.

85 (6) A licensee shall not offer discount catalog sales or
86 other similar inducements as part of a delayed deposit
87 transaction.

88 (7) A licensee shall not charge a late fee or collection fee
89 on any deferred deposit transaction as a result of a returned
90 check or the default by the customer in timely payment to the
91 licensee. Notwithstanding anything to the contrary contained in
92 this section, a licensee may charge a processing fee, not to
93 exceed an amount authorized by the commissioner, for a check



94 returned for any reason, including, without limitation,
95 insufficient funds, closed account or stop payment, if the
96 processing fee is authorized in the written agreement signed by
97 the customer and licensee. In addition, if a licensee takes legal
98 action against a customer to collect the amount of a delayed
99 deposit check for which the licensee has not obtained payment and
100 obtains a judgment against the customer for the amount of that
101 check, the licensee shall also be entitled to any court-awarded
102 fees.

103 (8) When cashing a delayed deposit check, a licensee may pay
104 the customer in the form of the licensee's business check or a
105 money order; however, no additional fee may then be charged by the
106 licensee for cashing the licensee's business check or money order
107 issued to the customer.

108 **SECTION 4.** This act shall take effect and be in force from
109 and after July 1, 2011.

