

By: Representatives Wooten, Clark, Bailey,  
Broomfield, Burnett, Clarke, Ellis, Evans  
(70th), Hines, Johnson, Jones (82nd),  
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To: Banking and Financial  
Services

## HOUSE BILL NO. 780

1 AN ACT TO AMEND SECTION 75-67-519, MISSISSIPPI CODE OF 1972,  
2 TO PROHIBIT CHECK CASHERS FROM CASHING A DELAYED DEPOSIT CHECK FOR  
3 ANY PERSON WHO HAS AN OUTSTANDING DELAYED DEPOSIT CHECK WITH  
4 ANOTHER CHECK CASHER THAT HAS NOT BEEN REPAID IN FULL; TO DIRECT  
5 THE COMMISSIONER OF BANKING TO PROVIDE FOR THE DEVELOPMENT OF A  
6 DATABASE IN WHICH CHECK CASHERS MUST RECORD EACH DELAYED DEPOSIT  
7 TRANSACTION IN ORDER TO PREVENT VIOLATIONS OF THE MAXIMUM AMOUNT  
8 THAT MAY BE OUTSTANDING; TO AUTHORIZE THE COMMISSIONER TO CHARGE A  
9 FEE TO CHECK CASHERS AS NECESSARY TO MAINTAIN THE DATABASE SYSTEM;  
10 TO PROVIDE THAT THE MAXIMUM AMOUNT THAT CHECK CASHERS MAY CHARGE  
11 FOR CASHING A DELAYED DEPOSIT CHECK SHALL NOT EXCEED AN ANNUAL  
12 PERCENTAGE RATE OF 36% PER ANNUM ON THE AMOUNT OF THE PRINCIPAL  
13 AMOUNT THAT REMAINS UNPAID; AND FOR RELATED PURPOSES.

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

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

17 75-67-519. (1) A licensee may defer the deposit of a  
18 personal check cashed for a customer for up to thirty (30) days  
19 under the provisions of this section.

20 (2) The face amount of any delayed deposit check cashed  
21 under the provisions of this section shall not exceed Four Hundred  
22 Dollars (\$400.00). Each customer is limited to a maximum amount  
23 of Four Hundred Dollars (\$400.00) at any time. A licensee shall  
24 not cash a delayed deposit check for any person who has an  
25 outstanding delayed deposit check with another licensee that has  
26 not been repaid in full. The commissioner shall provide for the  
27 development of a database in which licensees shall record each  
28 delayed deposit transaction in order to prevent violations of this  
29 subsection. The commissioner shall adopt rules governing the  
30 creation, structure and use of the database, which includes



31 charging a fee to licensees as necessary to maintain the database  
32 system.

33 (3) Each delayed deposit check cashed by a licensee shall be  
34 documented by a written agreement that has been signed by the  
35 customer and the licensee. The written agreement shall contain a  
36 statement of the total amount of any fees charged, expressed as a  
37 dollar amount and as an annual percentage rate. The written  
38 agreement shall authorize the licensee to defer deposit of the  
39 personal check until a specific date not later than thirty (30)  
40 days from the date the check is cashed.

41 (4) A licensee shall not directly or indirectly charge any  
42 fee or other consideration for cashing a delayed deposit check in  
43 excess of an annual percentage rate of thirty-six percent (36%)  
44 per annum on the amount of the face amount of the check that  
45 remains unpaid.

46 (5) No check cashed under the provisions of this section  
47 shall be repaid by the proceeds of another check cashed by the  
48 same licensee or any affiliate of the licensee. A licensee shall  
49 not renew or otherwise extend any delayed deposit check.

50 (6) A licensee shall not offer discount catalog sales or  
51 other similar inducements as part of a delayed deposit  
52 transaction.

53 (7) A licensee shall not charge a late fee or collection fee  
54 on any deferred deposit transaction as a result of a returned  
55 check or the default by the customer in timely payment to the  
56 licensee. Notwithstanding anything to the contrary contained in  
57 this section, a licensee may charge a processing fee, not to  
58 exceed an amount authorized by the commissioner, for a check  
59 returned for any reason, including, without limitation,  
60 insufficient funds, closed account or stop payment, if the  
61 processing fee is authorized in the written agreement signed by  
62 the customer and licensee. In addition, if a licensee takes legal  
63 action against a customer to collect the amount of a delayed



64 deposit check for which the licensee has not obtained payment and  
65 obtains a judgment against the customer for the amount of that  
66 check, the licensee shall also be entitled to any court-awarded  
67 fees.

68 (8) When cashing a delayed deposit check, a licensee may pay  
69 the customer in the form of the licensee's business check or a  
70 money order; however, no additional fee may then be charged by the  
71 licensee for cashing the licensee's business check or money order  
72 issued to the customer.

73 **SECTION 2.** This act shall take effect and be in force from  
74 and after July 1, 2011.

