

By: Representative Wooten

To: Banking and Financial Services

HOUSE BILL NO. 790

1 AN ACT TO AMEND SECTION 75-67-519, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE LICENSED CHECK CASHERS TO EXTEND ONE CHECK TO COVER THE
3 AMOUNT OF THE LOAN FOR ALL LOANS EXCEEDING ONE HUNDRED DOLLARS;
4 AND FOR RELATED PURPOSES.

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

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

8 75-67-519. (1) (a) A licensee may delay the deposit of a
9 personal check cashed for a customer with a face amount of not
10 more than Two Hundred Fifty Dollars (\$250.00) for up to thirty
11 (30) days under the provisions of this section.

12 (b) A licensee shall enter into a written agreement for
13 a delayed deposit transaction of a personal check cashed for a
14 customer with a face amount of more than Two Hundred Fifty Dollars
15 (\$250.00) but not more than Five Hundred Dollars (\$500.00) for a
16 period of at least twenty-eight (28) days but not more than thirty
17 (30) days, as selected by the customer, under the provisions of
18 this section, with the licensee having the option to deposit or
19 collect the check.



20 (2) The face amount of delayed deposit checks cashed under
21 the provisions of this section shall not exceed Five Hundred
22 Dollars (\$500.00), including the amount of the fees. Each
23 customer is limited to a maximum amount of Five Hundred Dollars
24 (\$500.00), including the amount of the fees, at any time. For all
25 loans exceeding One Hundred Dollars (\$100.00), the licensee shall
26 extend one (1) check to cover the amount of the loan.

27 (3) Each delayed deposit check cashed by a licensee shall be
28 documented by a written agreement that has been signed by the
29 customer and the licensee. The written agreement shall contain a
30 statement of the total amount of any fees charged, expressed as a
31 dollar amount and as an annual percentage rate. The written
32 agreement shall authorize the licensee to delay deposit of the
33 personal check with a face amount of not more than Two Hundred
34 Fifty Dollars (\$250.00) until a specific date not later than
35 thirty (30) days from the date of the transaction, and shall
36 authorize the licensee to delay deposit or collection of the
37 personal check with a face amount of more than Two Hundred Fifty
38 Dollars (\$250.00) but not more than Five Hundred Dollars (\$500.00)
39 in accordance with the written agreement.

40 (4) (a) A licensee shall not directly or indirectly charge
41 any fee or other consideration in excess of Twenty Dollars
42 (\$20.00) per One Hundred Dollars (\$100.00) advanced for cashing a
43 delayed deposit check with a face amount of not more than Two
44 Hundred Fifty Dollars (\$250.00).



45 (b) A licensee shall not directly or indirectly charge
46 any fee or other consideration in excess of Twenty-one Dollars and
47 Ninety-five Cents (\$21.95) per One Hundred Dollars (\$100.00)
48 advanced for cashing a delayed deposit check with a face amount of
49 more than Two Hundred Fifty Dollars (\$250.00) but not more than
50 Five Hundred Dollars (\$500.00).

51 (c) In no event shall the amount of the checks cashed
52 exceed Five Hundred Dollars (\$500.00), including the amount of the
53 fee.

54 (5) No check cashed under the provisions of this section
55 shall be repaid by the proceeds of another check cashed by the
56 same licensee or any affiliate of the licensee. A licensee shall
57 not renew or otherwise extend any delayed deposit check.

58 (6) A licensee shall not offer discount catalog sales or
59 other similar inducements as part of a delayed deposit
60 transaction.

61 (7) A licensee shall not charge a late fee or collection fee
62 on any deferred deposit transaction as a result of a returned
63 check or the default by the customer in timely payment to the
64 licensee. Notwithstanding anything to the contrary contained in
65 this section, a licensee may charge a processing fee, not to
66 exceed an amount authorized by the commissioner, for a check
67 returned for any reason, including, without limitation,
68 insufficient funds, closed account or stop payment, if such
69 processing fee is authorized in the written agreement signed by



70 the customer and licensee. In addition, if a licensee takes legal
71 action against a customer to collect the amount of a delayed
72 deposit check for which the licensee has not obtained payment and
73 obtains a judgment against the customer for the amount of that
74 check, the licensee shall also be entitled to any court-awarded
75 fees.

76 (8) When cashing a delayed deposit check, a licensee may pay
77 the customer in the form of the licensee's business check or a
78 money order; however, no additional fee may then be charged by the
79 licensee for cashing the licensee's business check or money order
80 issued to the customer.

81 (9) Before entering any transactions under this section, a
82 licensee shall provide to the customer a pamphlet prepared by the
83 commissioner that describes general information about the
84 transaction and about the customer's rights and responsibilities
85 in the transaction, and that includes the consumer hotline phone
86 number to the Mississippi Department of Banking and Consumer
87 Finance and to the Mississippi Attorney General's office. Each
88 agreement executed by a licensee shall include the following
89 statement, which shall be located just above the signature line
90 for the customer:

91 "In addition to agreeing to the terms of this agreement, I
92 acknowledge, by my signature below, the receipt of a consumer
93 education pamphlet regarding this transaction."



94 **SECTION 2.** This act shall take effect and be in force from
95 and after July 1, 2015.

