

By: Senator(s) Jackson (15th)

To: Business and Financial
Institutions

SENATE BILL NO. 2201

1 AN ACT TO AMEND SECTION 75-67-519, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THE TERM AND MAXIMUM FEE FOR MULTIPLE DELAYED DEPOSIT
3 CHECKS UNDER THE MISSISSIPPI CHECK CASHERS ACT; AND FOR RELATED
4 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.

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

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

43 (b) A licensee shall not directly or indirectly charge
44 any fee or other consideration in excess of Twenty-one Dollars and



45 Ninety-five Cents (\$21.95) per One Hundred Dollars (\$100.00)
46 advanced for cashing a delayed deposit check with a face amount of
47 more than Two Hundred Fifty Dollars (\$250.00) but not more than
48 Five Hundred Dollars (\$500.00).

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

52 (d) If a customer writes a check or multiple checks
53 totaling Two Hundred Fifty Dollars (\$250.00) or less and enters
54 into any subsequent transaction or transactions creating an
55 aggregate outstanding amount of more than Two Hundred Fifty
56 Dollars (\$250.00), then the subsequent transaction or transactions
57 shall be subject to a term of at least twenty-eight (28) days but
58 not more than thirty (30) days, as selected by the customer, with
59 the licensee having the option to deposit or collect the check,
60 and subject to a maximum fee or other consideration of Twenty-one
61 Dollars and Ninety-five Cents (\$21.95) per One Hundred Dollars
62 (\$100.00).

63 (5) No check cashed under the provisions of this section
64 shall be repaid by the proceeds of another check cashed by the
65 same licensee or any affiliate of the licensee. A licensee shall
66 not renew or otherwise extend any delayed deposit check.

67 (6) A licensee shall not offer discount catalog sales or
68 other similar inducements as part of a delayed deposit
69 transaction.



70 (7) A licensee shall not charge a late fee or collection fee
71 on any deferred deposit transaction as a result of a returned
72 check or the default by the customer in timely payment to the
73 licensee. Notwithstanding anything to the contrary contained in
74 this section, a licensee may charge a processing fee, not to
75 exceed an amount authorized by the commissioner, for a check
76 returned for any reason, including, without limitation,
77 insufficient funds, closed account or stop payment, if such
78 processing fee is authorized in the written agreement signed by
79 the customer and licensee. In addition, if a licensee takes legal
80 action against a customer to collect the amount of a delayed
81 deposit check for which the licensee has not obtained payment and
82 obtains a judgment against the customer for the amount of that
83 check, the licensee shall also be entitled to any court-awarded
84 fees.

85 (8) When cashing a delayed deposit check, a licensee may pay
86 the customer in the form of the licensee's business check or a
87 money order; however, no additional fee may then be charged by the
88 licensee for cashing the licensee's business check or money order
89 issued to the customer.

90 (9) Before entering any transactions under this section, a
91 licensee shall provide to the customer a pamphlet prepared by the
92 commissioner that describes general information about the
93 transaction and about the customer's rights and responsibilities
94 in the transaction, and that includes the consumer hotline phone



95 number to the Mississippi Department of Banking and Consumer
96 Finance and to the Mississippi Attorney General's office. Each
97 agreement executed by a licensee shall include the following
98 statement, which shall be located just above the signature line
99 for the customer:

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

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

