HOUSE BILL NO. 101

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

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

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

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

(b) A licensee shall enter into a written agreement for a delayed deposit transaction of a personal check cashed for a customer with a face amount of more than Two Hundred Fifty Dollars ($250.00) but not more than Five Hundred Dollars ($500.00) for a period of at least twenty-eight (28) days but not more than thirty (30) days, as selected by the customer, under the provisions of this section, with the licensee having the option to deposit or collect the check.
(2) The face amount of delayed deposit checks cashed under
the provisions of this section shall not exceed Five Hundred
Dollars ($500.00), including the amount of the fees. Each
customer is limited to a maximum amount of Five Hundred Dollars
($500.00), including the amount of the fees, at any time. For all
loans exceeding One Hundred Dollars ($100.00), the licensee shall
extend one (1) check to cover the amount of the loan.

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

(4) (a) A licensee shall not directly or indirectly charge
any fee or other consideration in excess of Twenty Dollars
($20.00) per One Hundred Dollars ($100.00) advanced for cashing a
delayed deposit check with a face amount of not more than Two
Hundred Fifty Dollars ($250.00).
(b) A licensee shall not directly or indirectly charge any fee or other consideration in excess of Twenty-one Dollars and Ninety-five Cents ($21.95) per One Hundred Dollars ($100.00) advanced for cashing a delayed deposit check with a face amount of more than Two Hundred Fifty Dollars ($250.00) but not more than Five Hundred Dollars ($500.00).

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

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

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

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

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

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

"In addition to agreeing to the terms of this agreement, I
acknowledge, by my signature below, the receipt of a consumer
education pamphlet regarding this transaction."
SECTION 2. This act shall take effect and be in force from and after July 1, 2016.