

By: Representative Banks

To: Judiciary A

HOUSE BILL NO. 609

1 AN ACT TO REQUIRE CONTRACTS TO BE WRITTEN IN LARGE PRINT; TO  
2 AMEND SECTIONS 63-19-31 AND 81-21-13, MISSISSIPPI CODE OF 1972, TO  
3 CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** All contracts shall be written in a font of at  
6 least ten (10) point. Any portion of a contract that is written  
7 in a font of less than ten (10) point shall be unenforceable.

8 **SECTION 2.** Section 63-19-31, Mississippi Code of 1972, is  
9 amended as follows:

10 63-19-31. (1) (a) A retail installment contract shall be  
11 in writing, shall be signed by both the buyer and the seller, and  
12 shall be completed as to all essential provisions \* \* \* before the  
13 signing of the contract by the buyer.

14 (b) The printed portion of the contract, other than  
15 instructions for completion, shall be in at least \* \* \* ten (10)  
16 point type. The contract shall contain in a size equal to at  
17 least \* \* \* twelve (12) point bold type:



18 (i) A specific statement that liability insurance  
19 coverage for bodily injury and property damage caused to others is  
20 not included, if that is the case; and

21 (ii) The following notice: "Notice to the Buyer:  
22 1. Do not sign this contract before you read it or if it contains  
23 any blank spaces. 2. You are entitled to an exact copy of the  
24 contract you sign."

25 (c) The seller shall deliver to the buyer, or mail to  
26 him or her at his or her address shown on the contract, a copy of  
27 the contract signed by the seller. Until the seller does so, a  
28 buyer who has not received delivery of the motor vehicle shall  
29 have the right to rescind his or her agreement and to receive a  
30 refund of all payments made and return of all goods traded in to  
31 the seller on account of or in contemplation of the contract, or  
32 if such goods cannot be returned, the value thereof. Any  
33 acknowledgment by the buyer of the delivery of a copy of the  
34 contract shall be in a size equal to at least \* \* \* twelve (12)  
35 point bold type and, if contained in the contract, shall appear  
36 directly above the buyer's signature.

37 (d) The contract shall contain the names of the seller  
38 and the buyer, the place of business of the seller, the residence  
39 or place of business of the buyer as specified by the buyer and a  
40 description of the motor vehicle including its make, year model,  
41 model and identification numbers or marks.

42 (2) The contract shall contain the following items:



- 43           (a) The cash sale price of the motor vehicle;
- 44           (b) The amount of the buyer's down payment, and whether  
45 made in money or goods, or partly in money and partly in goods;
- 46           (c) The difference between \* \* \* paragraphs (a) and  
47 (b);
- 48           (d) The amount, if any, included for insurance and  
49 other benefits specifying the types of coverage and benefits;
- 50           (e) The amount of official fees;
- 51           (f) The amount, if any, actually paid or to be paid by  
52 the seller pursuant to an agreement with the buyer to discharge a  
53 security interest, lien or lease interest on property traded in;
- 54           (g) The principal balance, which is the sum of \* \* \*  
55 paragraphs (c), (d), (e) and (f);
- 56           (h) The amount of the finance charge;
- 57           (i) The time balance, which is the sum of \* \* \*  
58 paragraphs (g) and (h), payable in installments by the buyer to  
59 the seller, the number of installments, the amount of each  
60 installment and the due date or period thereof.

61           The above items need not be stated in the sequence or order  
62 set forth. Additional items may be included to explain the  
63 calculations involved in determining the stated time balance to be  
64 paid by the buyer. Notwithstanding any provision of this chapter  
65 to the contrary, in any contract evidencing the sale of a  
66 commercial vehicle, the statement of the amount of the finance  
67 charge ( \* \* \* paragraph (h) \* \* \* of this subsection) and the



68 amount of each installment ( \* \* \* paragraph (i) \* \* \* of this  
69 subsection) may be calculated using the finance charge rate  
70 applicable to the transaction as of the date of execution of the  
71 contract, notwithstanding the fact that such finance charge rate  
72 may increase or decrease over the term of the contract according  
73 to any formula or index set forth in the contract; \* \* \*  
74 however, \* \* \* under no circumstances may the variable rate under  
75 such contract at any time exceed the finance charge limitations  
76 found in Section 63-19-43 \* \* \*.

77 (3) No retail installment contract shall be signed by any  
78 party thereto when it contains blank spaces to be filled in after  
79 it has been signed except that, if delivery of the motor vehicle  
80 is not made at the time of the execution of the contract, the  
81 identifying numbers or marks of the motor vehicle or similar  
82 information and the due date of the first installment may be  
83 inserted in the contract after its execution. The buyer's written  
84 acknowledgment, conforming to the requirements of \* \* \* paragraph  
85 (c) of subsection (1) of this section, of delivery of a copy of a  
86 contract shall be conclusive proof of such delivery, that the  
87 contract when signed did not contain any blank spaces except  
88 as \* \* \* provided in this section, and of compliance with Sections  
89 63-19-31 through 63-19-41 in any action or proceeding by or  
90 against the holder of the contract.

91 **SECTION 3.** Section 81-21-13, Mississippi Code of 1972, is  
92 amended as follows:



93 81-21-13. A premium finance agreement shall:

94 (a) Be dated and signed by or on behalf of the insured,  
95 and the printed portion thereof shall be in at least \* \* \*  
96 ten-point type;

97 (b) Contain the name and place of business of the  
98 insurance agent or broker negotiating the related insurance  
99 contract, the name and residence or place of business of the  
100 insured, the name and place of business of the premium finance  
101 company, a brief description of the insurance contracts involved  
102 and the amount of the premium; and

103 (c) Set forth the following items, where applicable:

104 (i) The total amount of the premium, less an  
105 itemized listing of any nonrefundable charges;

106 (ii) The amount of the down payment;

107 (iii) The principal balance, which is the  
108 difference between the amounts stated under subparagraphs (i) and  
109 (ii) of this paragraph;

110 (iv) The amount of the interest and the annual  
111 percentage rate;

112 (v) The balance payable by the insured, meaning  
113 the sum of amounts stated under subparagraphs (iii) and (iv) of  
114 this paragraph; and

115 (vi) The number of installments required, the  
116 amount of each installment expressed in dollars and the due date  
117 or period thereof.



118           **SECTION 4.** This act shall take effect and be in force from  
119 and after July 1, 2018.

