AN ACT TO CREATE THE STATE EMPLOYEE LOAN PROGRAM TO BE ADMINISTERED BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION; TO PROVIDE THAT A LOAN APPLICANT MAY RECEIVE NO MORE THAN TWO LOANS PER YEAR; TO PROVIDE THAT THE LOAN SHALL BE IN AN AMOUNT THAT IS NO MORE THAN SIX HUNDRED DOLLARS, AND MAY BE MADE IN ONE HUNDRED DOLLAR INCREMENTS; TO PROVIDE THAT THE LOAN SHALL BE REPAID OVER A THREE-MONTH TERM; TO REQUIRE AN APPLICANT TO COMPLETE AN ONLINE FINANCIAL LITERACY COURSE WITHIN THREE MONTHS AFTER RECEIVING HIS OR HER FIRST LOAN; TO REQUIRE THAT TO BE ELIGIBLE FOR A LOAN, AN APPLICANT MUST BE AN ACTIVE, FULL-TIME EMPLOYEE WHO HAS A MINIMUM OF TWELVE CONSECUTIVE MONTHS OF EMPLOYMENT WITH THE STATE OF MISSISSIPPI; TO PROVIDE FOR A PROCESSING FEE THAT IS CHARGED FOR EACH LOAN; TO PROVIDE A PENALTY FOR A RECIPIENT WHO DEFAULTS ON REPAYMENT OF HIS OR HER LOAN; TO AUTHORIZE THE DEPARTMENT TO MAKE MONTHLY WITHHOLDINGS FROM THE RECIPIENT'S PAYCHECK UNTIL THE LOAN IS REPAID; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) There is established a state employee loan program to be administered by the Department of Finance and Administration for the purpose of providing short-term financial assistance to state employees.

(2) The following provisions are applicable to loans made under the program:

(a) The applicant may receive a maximum of two (2) loans per year;
(b) The loan shall be in an amount that is no more than Six Hundred Dollars ($600.00), and may be made in One Hundred Dollar ($100.00) increments;

(c) The loan may be repaid over a three-month term, or before the expiration of the three-month term; and

(d) The applicant must complete an online financial literacy course within three (3) months after receiving his or her first loan under the program. The department shall develop and implement such course and make it available to loan applicants on the department's website.

(3) To be eligible for a loan authorized under this act, an applicant must:

(a) Be a full-time, active employee of the State of Mississippi; and

(b) Have a minimum of twelve (12) consecutive months of employment with the State of Mississippi.

(4) A processing fee of five percent (5%) per loan will be included in the repayment amount of each loan.

(5) If a loan recipient defaults on his or her loan repayment, the recipient shall be liable for a penalty of one percent (1%) of the unpaid amount for each month until the loan is repaid. The department shall withhold no more than twenty-five percent (25%) of the paycheck of the recipient each month until the full amount of the loan and the penalty is repaid.
(6) The Department of Finance and Administration may adopt such rules and regulations as necessary to administer this act.

SECTION 2. This act shall take effect and be in force from and after July 1, 2019.