

By: Representative Zuber

To: Banking and Financial Services

HOUSE BILL NO. 1171

1 AN ACT TO AMEND SECTION 75-67-517, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE A CHECK CASHING BUSINESS TO PASS A THIRD PARTY
3 PROCESSING COMPANY'S FEES FOR THE USE OF A DEBIT OR CREDIT CARD ON
4 TO THE CUSTOMER; TO AMEND SECTION 75-67-619, MISSISSIPPI CODE OF
5 1972, TO AUTHORIZE A LICENSEE WHO IS AUTHORIZED TO PROVIDE CREDIT
6 AVAILABILITY TRANSACTIONS TO PASS A THIRD-PARTY PROCESSING
7 COMPANY'S FEES FOR THE USE OF A DEBIT OR CREDIT CARD ON TO THE
8 CUSTOMER; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 75-67-517, Mississippi Code of 1972, is
11 amended as follows:

12 75-67-517. (1) Except as otherwise provided in this
13 section, notwithstanding any other provision of law, no check
14 cashing business licensed under this article shall directly or
15 indirectly charge or collect fees for check cashing services in
16 excess of the following:

17 (a) Three percent (3%) of the face amount of the check
18 or Five Dollars (\$5.00), whichever is greater, for checks issued
19 by the federal government, state government, or any agency of the
20 state or agency of the state or federal government, or any county
21 or municipality of this state.



22 (b) Ten percent (10%) of the face amount of the check
23 or Five Dollars (\$5.00), whichever is greater, for personal
24 checks.

25 (c) Five percent (5%) of the face amount of the check
26 or Five Dollars (\$5.00), whichever is greater, for all other
27 checks, or for money orders.

28 A licensee may not advance monies on the security of any
29 personal check unless the presenter attests that the check being
30 presented is drawn on a legitimate, open and active account.
31 Except as provided by Section 75-67-519, any licensee who cashes a
32 check for a fee shall deposit the check not later than three (3)
33 business days from the date the check is cashed.

34 (2) The provisions of subsection (1) shall not include the
35 fees charged by a third-party processing company for the use of a
36 debit or credit card. A check cashing business licensed under
37 this article may pass the third-party processing company's fees on
38 to the customer, if such business provides clear and conspicuous
39 notice to all customers that such fees will be applied to debit
40 and credit card transactions. Such notice must be provided before
41 the customer completes the transaction and must include:

42 (i) The amount of the fee;

43 (ii) That the fee is for the use of an alternate
44 payment method; and

45 (iii) The type of payment methods to which the fee
46 applies.



47 (c) The amount of the fee identified under this
48 subsection (2) shall be limited to the single transaction cost
49 charged by the third-party processor to the check cashing business
50 for the use of a credit or debit card.

51 **SECTION 2.** Section 75-67-619, Mississippi Code of 1972, is
52 amended as follows:

53 75-67-619. (1) Notwithstanding any other statutory
54 limitation, a licensee authorized to provide credit availability
55 transactions under this article may charge and collect fees and
56 charges in a manner consistent with this section, and may take as
57 security therefor any personal property that is not exempt or
58 prohibited by state or federal law or regulations.

59 (2) (a) A licensee may charge and collect a monthly
60 handling fee for services, expenses, and costs not to exceed
61 twenty-five percent (25%) of the outstanding principal balance of
62 any credit availability account per month, or any portion thereof,
63 for transactions of Five Hundred Dollars (\$500.00) or less. The
64 handling fee shall not be deemed interest for any purpose of law.

65 (b) A licensee may charge and collect a monthly
66 handling fee for services, expenses, and costs not to exceed
67 twenty-five percent (25%) of the outstanding principal balance of
68 any credit availability account per month, or portion thereof, for
69 transactions in excess of Five Hundred Dollars (\$500.00). The
70 handling fee shall not be deemed interest for any purpose of law.



71 (c) (i) In addition to the charges authorized under
72 this subsection (2), a licensee may also charge and collect an
73 origination fee in the amount of one percent (1%) of the amount
74 disbursed to the account holder or Five Dollars (\$5.00), whichever
75 is greater, for costs associated with providing a credit
76 availability transaction.

77 (ii) The origination fee shall not be deemed
78 interest for any purpose of law.

79 (3) (a) No credit availability account created under
80 subsection (2) (a) of this section shall have an outstanding
81 principal balance in excess of Five Hundred Dollars (\$500.00) at
82 any time.

83 (b) No credit availability account created under
84 subsection (2) (b) of this section shall have an outstanding
85 principal balance in excess of Two Thousand Five Hundred Dollars
86 (\$2,500.00) at any time.

87 (4) (a) Any credit availability account created under
88 subsection (2) (a) of this section shall be a fully amortized loan,
89 secured or unsecured, payable in equal payments of four (4) to six
90 (6) months calculated on the amount initially disbursed to the
91 account holder plus any fees that may be charged, in an amount and
92 manner provided for under this article.

93 (b) Any credit availability account created under
94 subsection (2) (b) of this section shall be a fully amortized loan,
95 secured or unsecured, payable in equal payments of six (6) to



96 twelve (12) months calculated on the amount initially disbursed to
97 the account holder plus any fees that may be charged, in an amount
98 and manner provided for under this article.

99 (5) In the event an account holder is delinquent in payment
100 of a monthly payment under the terms of a credit availability
101 agreement, the licensee may charge and collect from the account
102 holder a late fee of ten percent (10%) of the past-due amount;
103 provided, however, that no such late fee may be charged unless an
104 account holder has failed to pay the past-due amount within ten
105 (10) business days after the due date and provided that such fees
106 are clearly disclosed in the credit availability agreement.

107 (6) In the event an account holder is in default under the
108 terms of a credit availability agreement for more than sixty (60)
109 days, the licensee may charge and collect from the account holder
110 the following fees in connection with any such default, provided
111 that such fees are clearly disclosed in the credit availability
112 agreement:

113 (a) If the licensee is required to employ a third
114 party, including an attorney, to collect on the account the
115 licensee may:

116 (i) If the credit availability agreement so
117 provides, charge and collect a reasonable collection fee and
118 attorney's fee; and

119 (ii) If the credit availability agreement so
120 provides, shall be entitled to recover from the account holder all



121 court costs incurred and to recover any court-awarded damages,
122 including those incurred on appeal.

123 (b) If applicable, the licensee may charge and collect
124 from the account holder any fees and costs relating to the
125 repossession and sale of collateral, including, but not limited
126 to, fees and costs associated with the repossession, storage,
127 preparation for sale and sale of collateral.

128 (7) (a) The provisions of subsections (1) through (6) shall
129 not include the fees charged by a third-party processing company
130 for the use of a debit or credit card.

131 (b) A licensee authorized to provide credit
132 availability transactions under this article may pass the third
133 party processing company's fees on to the customer, if such
134 licensee provides clear and conspicuous notice to all customers
135 that such fees will be applied to debit and credit card
136 transactions. Such notice must be provided before the customer
137 completes the transaction and must include:

138 (i) The amount of the fee;

139 (ii) That the fee is for the use of an alternate
140 payment method; and

141 (iii) The type of payment methods to which the fee
142 applies.

143 (c) The amount of the fee identified under this
144 subsection (7) shall be limited to the single transaction cost
145 charged by the third-party processor to the licensee authorized to



146 provide credit availability transactions for the use of a credit
147 or debit card.

148 **SECTION 3.** This act shall take effect and be in force from
149 and after July 1, 2024.

