

By: Representative Wells-Smith

To: Banks and Banking

HOUSE BILL NO. 899

1 AN ACT TO PROHIBIT FINANCIAL INSTITUTIONS AND OTHER LENDERS  
2 FROM GIVING OR SENDING TO MISSISSIPPI RESIDENTS ANY CHECK, NOTE,  
3 OR OTHER DOCUMENT BY WHICH THE RECIPIENT MAY OBTAIN A LOAN BY  
4 SIGNING OR ENDORSING THE DOCUMENT, UNLESS IT HAS BEEN AUTHORIZED  
5 BY THE RECIPIENT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** (1) (a) A financial institution or other lender  
8 shall not give or send to a resident of Mississippi any check,  
9 note, or other document by which the recipient may obtain a loan  
10 from the financial institution or other lender by signing or  
11 endorsing the check, note or document, unless the recipient has  
12 previously authorized the financial institution or lender to  
13 provide such a check, note or document to the recipient.

14 (b) A financial institution or other lender shall not  
15 contract with a person or entity for that person or entity to  
16 provide to a resident of Mississippi any check, note or other  
17 document on behalf of the financial institution or lender if the  
18 financial institution or lender would be prohibited under  
19 subsection (1) from taking that action directly.

20 (2) As used in this section, "financial institution" means:

21 (a) A bank, savings association, savings and loan  
22 association, savings bank or credit union incorporated under the  
23 laws of the State of Mississippi that makes or offers to make  
24 loans to Mississippi residents;

25 (b) A bank, savings association, savings and loan  
26 association or credit union incorporated under the laws of the  
27 United States and having an office in Mississippi that makes or  
28 offers to make loans to Mississippi residents;



29           (c) A bank, savings association, savings and loan  
30 association, savings bank or credit union incorporated under the  
31 laws of another state and having an office in Mississippi that  
32 makes or offers to make loans to Mississippi residents;

33           (d) A small loan company incorporated under the laws of  
34 the State of Mississippi that makes or offers to make loans to  
35 Mississippi residents; and

36           (e) A small loan company incorporated under the laws of  
37 another state and having an office in Mississippi that makes or  
38 offers to make loans to Mississippi residents.

39           **SECTION 2.** This act shall take effect and be in force from  
40 and after July 1, 2002.

