

By: Senator(s) Mettetal

To: Business and Financial  
Institutions

SENATE BILL NO. 2431

1 AN ACT TO AMEND SECTION 81-1-91, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT IN ALL BANK EXAMINATIONS NO BANK SHALL BE ALLOWED  
3 CREDIT IN EXCESS OF ITS SOUND VALUE FOR UNSECURED OVERDRAFTS THAT  
4 MAY HAVE EXISTED FOR A GREATER PERIOD THAN 90 DAYS NEXT PRECEDING  
5 IT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 81-1-91, Mississippi Code of 1972, is  
8 amended as follows:

9 81-1-91. In all bank examinations no bank shall be allowed  
10 credit in excess of its sound value for a note or security of  
11 which the principal and interest is over twelve (12) months past  
12 due; nor for any bond in excess of the real value thereof; nor for  
13 any stock of its own held more than twelve (12) months; nor for  
14 any unsecured overdrafts that may have existed for a greater  
15 period than ninety (90) days next preceding it \* \* \*. Only such  
16 overdrafts shall be considered as secure as are advanced against  
17 products or actual existing values evidenced by warehouse receipts  
18 or bills of lading, against bills of exchange drawn in good faith  
19 against actual existing values, or against funds on deposit by the  
20 depositor whose account is overdrawn, and who has pledged those  
21 funds as security for such overdraft, and in making up the  
22 statement of the condition of such bank any \* \* \* item not so  
23 secured shall be charged off (but if desired a note shall be  
24 appended giving details thereof). But the discretion of the  
25 commissioner or examiner may be exercised in cases of estates in  
26 litigation or administration, and in pending suits, if the  
27 security affected thereby is ample, in the opinion of the  
28 commissioner or examiner making such examination.



29           **SECTION 2.** This act shall take effect and be in force from  
30 and after its passage.

