

By: Senator(s) Mettetal

To: Business and Financial  
Institutions

SENATE BILL NO. 2560

1 AN ACT TO AMEND SECTION 75-67-421, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE AMOUNT OF SURETY BOND REQUIRED TO BE ELIGIBLE FOR A  
3 TITLE PLEDGE LENDER LICENSE; TO AMEND SECTION 75-67-435,  
4 MISSISSIPPI CODE OF 1972, TO REVISE THE AMOUNT OF THE EXAMINATION  
5 FEE WHICH MAY BE CHARGED BY THE COMMISSIONER OF BANKING AND  
6 CONSUMER FINANCE FOR EXAMINING THE RECORDS OF A TITLE PLEDGE  
7 LENDER; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 75-67-421, Mississippi Code of 1972, is  
10 amended as follows:

11 75-67-421. (1) To be eligible for a title pledge lender  
12 license, an applicant shall:

13 (a) Operate lawfully and fairly within the purposes of  
14 this article;

15 (b) Not have been convicted of a felony in the last ten  
16 (10) years or be active as a beneficial owner for someone who has  
17 been convicted of a felony in the last ten (10) years;

18 (c) File with the commissioner a bond with good  
19 security in the penal sum of Fifty Thousand Dollars (\$50,000.00),  
20 payable to the State of Mississippi for the faithful performance  
21 by the licensee of the duties and obligations pertaining to the  
22 business so licensed and the prompt payment of any judgment which  
23 may be recovered against the licensee on account of damages or  
24 other claim arising directly or collaterally from any violation of  
25 the provisions of this article; such bond shall not be valid until  
26 it is approved by the commissioner; such applicant may file, in  
27 lieu thereof, cash, a certificate of deposit, or government bonds  
28 in the amount of Fifty Thousand Dollars (\$50,000.00), the deposit  
29 of which shall be filed with the commissioner and is subject to



30 the same terms and conditions as are provided for in the surety  
31 bond required herein; any interest or earnings on such deposits  
32 are payable to the depositor.

33 (d) File with the commissioner an application  
34 accompanied by a set of fingerprints from any local law  
35 enforcement agency, and the initial license fee required in this  
36 article. In order to determine the applicant's suitability for  
37 license, the commissioner shall forward the fingerprints to the  
38 Department of Public Safety; and if no disqualifying record is  
39 identified at the state level, the fingerprints shall be forwarded  
40 by the Department of Public Safety to the FBI for a national  
41 criminal history record check.

42 (2) Upon the filing of an application in a form prescribed  
43 by the commissioner, accompanied by the fee and documents required  
44 in this article, the department shall investigate to ascertain  
45 whether the qualifications prescribed by this article have been  
46 satisfied. If the commissioner finds that the qualifications have  
47 been satisfied and, if he approves the documents so filed by the  
48 applicant, he shall issue to the applicant a license to engage in  
49 the business of title pledge lending in this state.

50 (3) Complete and file with the commissioner an annual  
51 renewal application accompanied by the renewal fee required in  
52 this article.

53 (4) The license shall be kept conspicuously posted in the  
54 place of business of the licensee.

55 **SECTION 2.** Section 75-67-435, Mississippi Code of 1972, is  
56 amended as follows:

57 75-67-435. (1) The Commissioner of Banking and Consumer  
58 Finance shall develop and provide any necessary forms to carry out  
59 the provisions of this article.

60 (2) The department may adopt reasonable administrative  
61 regulations, not inconsistent with law, for the enforcement of  
62 this article.



63           (3) To assure compliance with the provision of this article,  
64 the department may examine the books and records of any licensee  
65 without notice during normal business hours. The commissioner may  
66 charge the licensee an examination fee consisting of the actual  
67 expenses per examination of each office or location within the  
68 State of Mississippi, plus any actual expenses incurred while  
69 examining the licensee's records or books that are located outside  
70 the State of Mississippi. However, in no event shall a licensee  
71 be examined more than once in a two-year period unless for cause  
72 shown based upon consumer complaint and/or other exigent reasons  
73 as determined by the commissioner.

74           **SECTION 3.** This act shall take effect and be in force from  
75 and after July 1, 2003.

