

By: Senator(s) Mettetal

To: Business and Financial Institutions

COMMITTEE SUBSTITUTE
FOR
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 for each location at which the applicant proposes to engage in the
21 business of title pledge lending, but in no event shall the bond
22 be required to exceed Two Hundred Fifty Thousand Dollars
23 (\$250,000.00); the bond shall be payable to the State of
24 Mississippi for the faithful performance by the licensee of the
25 duties and obligations pertaining to the business so licensed and
26 the prompt payment of any judgment which may be recovered against
27 the licensee on account of damages or other claim arising directly
28 or collaterally from any violation of the provisions of this
29 article; the bond shall not be valid until it is approved by the



30 commissioner; the applicant may file, in lieu thereof, cash, a
31 certificate of deposit, or government bonds in the amount of
32 Twenty-five Thousand Dollars (\$25,000.00) for each location at
33 which the applicant proposes to engage in the business of title
34 pledge lending, but in no event shall the cash, certificate of
35 deposit or government bonds be required to exceed Two Hundred
36 Fifty Thousand Dollars (\$250,000.00); the deposit of the cash,
37 certificate of deposit or government bonds shall be filed with the
38 commissioner and is subject to the same terms and conditions as
39 are provided for in the surety bond required herein; any interest
40 or earnings on such deposits are payable to the depositor.

41 (d) File with the commissioner an application
42 accompanied by a set of fingerprints from any local law
43 enforcement agency, and the initial license fee required in this
44 article. In order to determine the applicant's suitability for
45 license, the commissioner shall forward the fingerprints to the
46 Department of Public Safety; and if no disqualifying record is
47 identified at the state level, the fingerprints shall be forwarded
48 by the Department of Public Safety to the FBI for a national
49 criminal history record check.

50 (2) Upon the filing of an application in a form prescribed
51 by the commissioner, accompanied by the fee and documents required
52 in this article, the department shall investigate to ascertain
53 whether the qualifications prescribed by this article have been
54 satisfied. If the commissioner finds that the qualifications have
55 been satisfied and, if he approves the documents so filed by the
56 applicant, he shall issue to the applicant a license to engage in
57 the business of title pledge lending in this state.

58 (3) Complete and file with the commissioner an annual
59 renewal application accompanied by the renewal fee required in
60 this article.

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



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

65 75-67-435. (1) The Commissioner of Banking and Consumer
66 Finance shall develop and provide any necessary forms to carry out
67 the provisions of this article.

68 (2) The department may adopt reasonable administrative
69 regulations, not inconsistent with law, for the enforcement of
70 this article.

71 (3) To assure compliance with the provision of this article,
72 the department may examine the books and records of any licensee
73 without notice during normal business hours. The commissioner may
74 charge the licensee an examination fee in an amount not less than
75 Three Hundred Dollars (\$300.00) nor more than Six Hundred Dollars
76 (\$600.00) for each office or location within the State of
77 Mississippi, plus any actual expenses incurred while examining the
78 licensee's records or books that are located outside the State of
79 Mississippi. However, in no event shall a licensee be examined
80 more than once in a two-year period unless for cause shown based
81 upon consumer complaint and/or other exigent reasons as determined
82 by the commissioner.

83 (4) On or before July 1, 2007, the commissioner shall file
84 with the Chairman of the Senate Business and Financial
85 Institutions Committee and the Chairman of the House Banking
86 Committee a report containing the total number of examinations or
87 audits of licensees conducted by the department for each year, the
88 total cost of such examinations, the number of examinations
89 grouped by range of costs, and any other information the
90 commissioner deems relevant to substantiate the examination fee
91 authorized in this section.

92 (5) This section shall stand repealed from and after July 1,
93 2007.

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

