

By: Senator(s) Mettetal

To: Business and Financial
Institutions

SENATE BILL NO. 2344

1 AN ACT TO AMEND SECTION 75-67-421, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THE AMOUNT OF THE BOND REQUIRED TO BE ELIGIBLE FOR A
3 TITLE PLEDGE LENDER LICENSE; AND FOR RELATED PURPOSES.

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

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

7 75-67-421. (1) To be eligible for a title pledge lender
8 license, an applicant shall:

9 (a) Operate lawfully and fairly within the purposes of
10 this article;

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

14 (c) File with the commissioner a bond with good
15 security in the penal sum of Fifty Thousand Dollars (\$50,000.00)
16 for each location at which the applicant proposes to engage in the
17 business of title pledge lending, but in no event shall the
18 aggregate amount of the bond for all locations per applicant
19 exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) and no
20 more than Fifty Thousand Dollars (\$50,000.00) shall be payable or
21 recoverable on the bond for each location; the bond shall be
22 payable to the State of Mississippi for the faithful performance
23 by the licensee of the duties and obligations pertaining to the
24 business so licensed and the prompt payment of any judgment which
25 may be recovered against the licensee on account of damages or
26 other claim arising directly or collaterally from any violation of
27 the provisions of this article; the bond shall not be valid until

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

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

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

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

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

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