

## House Amendments to Senate Bill No. 2532

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

9           **SECTION 1.** Section 75-17-21, Mississippi Code of 1972, is  
10 amended as follows:

11           75-17-21. (1) Notwithstanding any provision of law to the  
12 contrary, the maximum finance charge which may be contracted for  
13 and received for any loan or extension of credit made by a  
14 licensee under the Small Loan Regulatory Law (Sections 75-67-101  
15 through 75-67-135) and the Small Loan Privilege Tax Law (Sections  
16 75-67-201 through 75-67-243) may result in a yield not to exceed  
17 the following annual percentage rates calculated according to the  
18 actuarial method:

19           (a) Thirty-six percent (36%) per annum for the portion  
20 of the unpaid balance of the amount financed that is not greater  
21 than One Thousand Dollars (\$1,000.00);

22           (b) Thirty-three percent (33%) per annum for the  
23 portion of the unpaid balance of the amount financed in excess of  
24 One Thousand Dollars (\$1,000.00) but not greater than Two Thousand  
25 Five Hundred Dollars (\$2,500.00);

26           (c) Twenty-four percent (24%) per annum for the portion  
27 of the unpaid balance of the amount financed in excess of Two  
28 Thousand Five Hundred Dollars (\$2,500.00) but not greater than  
29 Five Thousand Dollars (\$5,000.00);

30           (d) Fourteen percent (14%) per annum for the portion of  
31 the unpaid balance of the amount financed in excess of Five  
32 Thousand Dollars (\$5,000.00).

33           (2) As an alternative and in lieu of the rates established  
34 in paragraphs (a), (b), (c) and (d) of subsection (1), on loans in

35 an amount of Twenty-five Thousand Dollars (\$25,000.00) or more, a  
36 licensee may contract for and receive a maximum finance charge  
37 which will result in a yield not to exceed an annual percentage  
38 rate, calculated according to the actuarial method, of eighteen  
39 percent (18%) per annum on the unpaid balance of the amount  
40 financed.

41 (3) A licensee may contract for and charge a closing fee as  
42 follows:

43 (a) For loans in the amount of Ten Thousand Dollars  
44 (\$10,000.00) or less, four percent (4%) of the total payments due  
45 on the loan or Twenty-five Dollars (\$25.00), whichever is greater;

46 (b) For loans in an amount greater than Ten Thousand  
47 Dollars (\$10,000.00), a maximum charge of Five Hundred Dollars  
48 (\$500.00).

49 Such closing fee shall not be part of the finance charge.

50 (4) The rates set forth in paragraph (a) of subsection (1)  
51 may be increased by the number of percentage points by which the  
52 discount rate, excluding any surcharge thereon, on ninety-day  
53 commercial paper in effect at the Federal Reserve bank in the  
54 Federal Reserve district where the lender is located exceeds eight  
55 percent (8%), and the rates set forth in paragraphs (b), (c) and  
56 (d) of subsection (1) may be increased by the number of percentage  
57 points by which the discount rate, excluding any surcharge  
58 thereon, on ninety-day commercial paper in effect at the Federal  
59 Reserve bank in the Federal Reserve district where the lender is  
60 located exceeds ten percent (10%).

61 The finance charges authorized in this section are the  
62 maximum rates which may be contracted for or received for any loan  
63 or extension of credit made by a licensee under the Small Loan  
64 Regulatory Law (Sections 75-67-101 through 75-67-135), and the  
65 Small Loan Privilege Tax Law (Sections 75-67-201 through  
66 75-67-243). Nothing in this section shall prohibit lending money  
67 or handling, negotiating or arranging loans for a finance charge  
68 that is less than that specified herein. This section does not  
69 limit or restrict the manner of contracting for the finance

70 charge, whether by way of add-on, discount or otherwise, so long  
71 as the annual percentage rate of the finance charge does not  
72 exceed that permitted by this section.

73 **SECTION 2.** Section 75-67-121, Mississippi Code of 1972, is  
74 amended as follows:

75 75-67-121. Any licensee under this article may charge any  
76 borrower on loans of One Hundred Dollars (\$100.00) or more the  
77 actual cost of recording any instrument executed as security for a  
78 loan; any reasonable fee paid to an attorney for investigating the  
79 title to any property given as security for a loan; the actual  
80 cost of any premium paid for insurance upon any property given as  
81 security for a loan, such insurance to be placed with an insurance  
82 company agent of the borrower's selection so long as it is  
83 licensed to do business in the State of Mississippi; the actual  
84 cost of any premium paid for life, health and/or accident  
85 insurance on any borrower where the amount of insurance required  
86 is not in excess of the amount of the loan and the premium  
87 therefor is in keeping with that usually and customarily paid for  
88 like insurance.

89 Whenever he shall find it necessary, the Commissioner of  
90 Banking and Consumer Finance shall have the power to adopt and  
91 enforce reasonable rules and regulations to prevent the abuse of  
92 this section and the making of excessive charges under this  
93 section.

94 **SECTION 3.** This act shall take effect and be in force from  
95 and after July 1, 2005.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 75-17-21, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE CLOSING FEE WHICH MAY BE CONTRACTED FOR AND CHARGED  
3 BY A LICENSEE UNDER THE SMALL LOAN REGULATORY LAW AND SMALL LOAN  
4 PRIVILEGE TAX LAW; TO AMEND SECTION 75-67-121, MISSISSIPPI CODE OF  
5 1972, TO AUTHORIZE A LICENSEE UNDER THE SMALL LOAN REGULATORY LAW  
6 TO OFFER THE BORROWER THE OPPORTUNITY TO PURCHASE AN AUTO CLUB  
7 MEMBERSHIP; AND FOR RELATED PURPOSES.

HR03\SB2532PH.J

Don Richardson  
Clerk of the House of Representatives