

# MS Credit Availability Act (MCAA) – F.A.Q.'s

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## **1. When does the Mississippi Credit Availability Act go into effect?**

July 1st, 2016

## **2. How do I apply for a license under the Mississippi Credit Availability Act?**

Visit <http://www.dbcf.state.ms.us/creditavail.asp> and download the PDF application documents. Persons may begin the application process after June 1st, 2016. General Information regarding the initial license fee, bond required, and [application instructions](#) are contained on this page.

## **3. How long do I have to apply for an MCAA license if I am already licensed under the Mississippi Check Cashers Act and/or the Mississippi Title Pledge Act?**

Persons holding a license under the Mississippi Check Cashers Act and/or The Mississippi Title Pledge Act on July 1st, 2016 shall have until September 30, 2016 to apply for an “expedited” license. The Commissioner, in her discretion, may waive certain documentation already on file under those licenses, including fingerprints. However, persons holding a check and/or title license and are applying for an MCAA license cannot begin making MCAA loans until they receive their MCAA license.

## **4. Once I receive my license, when can I start making MCAA Loans?**

**You have two options:**

*Option one - If you apply for a license and pay the initial license fee of \$750.00 between July 1<sup>st</sup> and September 30<sup>th</sup>, 2016 you may start making loans on the date you receive your license from the Department. This license will expire on September 30th, 2016. You will have to complete the renewal process and pay the renewal fee of \$475.00 by September 30<sup>th</sup>, 2016 to continue making loans after that date.*

*Option two – You can apply for and receive your license with an effective date of October 1<sup>st</sup>, 2016. You cannot start making loans until October 1<sup>st</sup>, 2016 but you will not be required to renew your license until September 30th, 2017.*

**5. Does a Mississippi Credit Availability License replace my Check Cashers Act or Title Pledge Act license?**

*No.* As long as you still hold a valid Check Cashers license or Title Pledge license, you may still cash checks or make loans under these licenses. You will NOT be required to surrender a check or title license to obtain a MCAA license.

**6. If I have already submitted fingerprint cards with my title pledge license renewal, will I have to submit another set of cards with my MCAA license application?**

*No.* DBCF will accept the same set of fingerprint cards that were already submitted with a 2016 title pledge license renewal with a new application for a MCAA license.

**7. Will I still have to submit a separate set of fingerprint cards with my Check Cashers renewal application in September?**

*Yes.*

**8. If I download the MCAA license application documents from the DBCF website, where do I get the Fingerprint cards?**

You may email or call Wanda Ingram at [wanda.ingram@dbcf.ms.gov](mailto:wanda.ingram@dbcf.ms.gov) or 601-321-6916 to request the fingerprint cards. She will send them to you via USPS mail.

**9. If I have a check cashing and/or title loan office(s) will I have to have a separate office to conduct MCAA loans in?**

*No.* You may conduct MCAA loans in either a licensed check cashing office or a licensed title loan office. However, **you must maintain separate books and records for each type of business.**

**10. How much can an MCAA licensee charge for making a loan?**

A licensee may charge and collect a monthly handling fee for services, expenses, and cost not to exceed twenty-five percent (25%) of the outstanding principal balance per month. A licensee may also charge

and collect an origination fee in the amount of 1% of the amount disbursed to the account holder or \$5.00, whichever is greater, for costs associated with providing a credit availability transaction.

### **11. Are there term limits on MCAA loans?**

Yes. MCAA loans of \$500.00 or less shall be a fully amortized loan, secured or unsecured, payable in equal payments of 4 to 6 months calculated on the amount initially disbursed to the account holder plus any fees that may be charged.

MCAA loans of more than \$500.00 shall be a fully amortized loan, secured or unsecured, payable in equal payments of 6 to 12 months calculated on the amount initially disbursed to the account holder plus any fees that may be charged.

### **12. What is the maximum loan a MCAA licensee can make?**

Twenty-five Hundred Dollars (\$2,500.00).

### **13. Is a charge for late payments allowed?**

Yes. A licensee may charge a late fee of 10% of the past-due amount of a monthly payment that is delinquent 10 business days after the due date provided that such fees are clearly disclosed in the credit availability agreement.

### **14. What does the MCAA require in way of disclosures to the borrower?**

1. Licensees must execute a written agreement with each loan that complies with federal TILA disclosure requirements.
2. Must contain a statement that the account holder may prepay the unpaid balance in whole or in part at any time.
3. Written agreements must include at least the following:
  - a. The amount of the transaction;
  - b. The date the agreement was entered into;
  - c. A schedule or description of the payments;
  - d. The name and address of the licensed office;

- e. *The name of the person primarily obligated on the agreement;*
  - f. *The amount of the principal;*
  - g. *The agreed rate of charge stated on a percent per year basis and the amount in dollars and cents;*
  - h. *All other disclosures required pursuant to state and federal law.*
4. *Written agreements shall also include the right for an account holder to rescind the transaction within one (1) business day; provided, however, that if the account holder accepts funds prior to the expiration of the one-day rescission period, any origination fee charged shall be nonrefundable.*
5. *If the licensee intends to charge other fees as allowed by the MCAA (e.g. attorney fees, court cost, etc.), they must be reasonable and disclosed in the written agreement.*

***15. The MCAA requires that I provide a pamphlet prepared by the Department of Banking and Consumer Finance describing general information about the loan transaction. Where do I get this pamphlet and what information is required to be disclosed in it?***

*The pamphlet is available on the DBCF website and shall include the following information:*

- a. *Account holder's rights and responsibilities in the transaction, including the rates and fees charged by the licensee*
- b. *Licensee's rights in event of default by the consumer*
- c. *Maximum allowable account balance*
- d. *Consumer hotline telephone number to the Mississippi Department of Banking and Consumer Finance*
- e. *Account information and/or complaint hotline telephone number of the licensee (Shall be added by the licensee)*
- f. *A licensee without a physical location in this state shall make the information available on its website.*