

**STATE OF MISSISSIPPI  
DEPARTMENT OF BANKING AND CONSUMER FINANCE  
CONSUMER FINANCE DIVISION**

**MISSISSIPPI TITLE PLEDGE ACT**

**REGULATIONS**



Compiled and Adopted by  
Department of Banking and Consumer Finance  
For licensees governed by  
Mississippi Title Pledge Act

**John S. Allison, Commissioner**

Effective  
December 15, 2003

**Department of Banking and Consumer Finance  
Consumer Finance Division**

**MISSISSIPPI TITLE PLEDGE ACT**

**REGULATIONS**

**Section 1. Records**

(a) Each Title Pledge licensee shall maintain all files or records at its licensed office. In addition to the information required by Sections 75-67-405 and 75-67-407 of the Mississippi Code of 1972, Annotated, each title pledge lender shall maintain a consecutively numbered record or log of each title pledge agreement executed, with that number being placed on the corresponding Title Pledge Agreement.

(b) The following information must be maintained on a ledger card or computer system that can be printed upon request:

- **Name and address of the pledgor(s)**
- **Date of the title pledge transaction and the title pledge transaction number**
- **Total amount of payments**
- **Title Pledge Service charge**
- **Terms of repayment**
- **Description of collateral, including VIN number**
- **Maturity date**
- **Unpaid balance**
- **Amount and date of receipt of all payments**
- **Distribution of all payments to principal and interest**

(c) A file(s) shall be maintained for each pledgor and shall include, the title pledge agreements and all documents pertaining to the title pledge transaction. All documents pertaining to the title pledge transaction shall contain the title pledge number.

(d) Licensee shall maintain a check book register or cash journal, in numerical order, indicating the distribution of each title pledge transaction and to whom such proceeds were disbursed.

(e) Records may be in the form of traditional hard copies, computer printouts or on magnetic media if readily accessible for viewing on a screen with the capability of being promptly printed upon request. Licensee shall keep all records for a period of no less than two (2) years from the date of the closing of the last transaction.

(f) A record indicating the total number of accounts and the dollar value of all title pledge receivables shall be maintained and available on a monthly basis.

(g) Any errors in records shall be corrected by a correcting entry rather than by erasure or obliteration with appropriate entries evidencing why, when, and by whom such correcting entry was recorded.

**Section 2. Sale of Repossessed Vehicles**

(a) Licensee must maintain a repossession log or separate record of all repossessed vehicles. Such record must include the customers name, vehicle information (including make, model and VIN number), date of repossession, date of sale, name of purchaser, amount of sale or payment, and method of payment by purchaser. Licensee shall maintain supporting documentation of each sale by a cash ticket or a financing agreement.

(b) Documentation shall be maintained on all repossessed vehicles that are sold indicating the value of each vehicle. Such documentation shall include a written condition report and at least two (2) photographs depicting the condition of the vehicle. In the event a licensee finances a vehicle they have repossessed, the licensee must comply with the rates authorized by the Mississippi Motor Vehicle Sales Finance Law. Such sale shall not be executed on a Title Pledge Agreement.

(c) In the event a licensee declares a vehicle to be salvage pursuant to Section 75-67-411 (5), Mississippi Code of 1972, as amended, licensee must obtain a "junk certificate" from the Mississippi Tax Commission pursuant to Mississippi Title Law Regulation 51 (a) (4) which is defined as "an administrative letter issued by the Tax Commission for a vehicle which has been scrapped, dismantled or destroyed and the owner has surrendered the Mississippi Certificate of Title to the Tax Commission in accordance with Section 63-21-39, Mississippi Code of 1972, as amended ." A copy of the required documentation and "junk certificate" shall be maintained in the customers file folder. The value received from the sale of any salvage shall be evidenced by a bill of sale or cash ticket and applied to the customers account balance.

(d) For repossessions that are not declared salvage, licensee shall maintain a record that includes: balance owed plus service charge calculated up to the date of repossession; repossession fee that consists of actual towing and storage charges paid to an unrelated third (3rd) party; charges paid to an unrelated third (3rd) party for repairs to make property operable; the allowed one hundred dollar (\$100.00) sales fee; to whom sold; and the amount of sale. Licensee must maintain a copy of all bills/invoices for any charges paid to a third party in the customers file folder. To verify amount of sale, licensee must obtain two (2) bids on vehicles less than ten (10) years old or a receipt from an auction seller indicating the amount received from the sale. For vehicles that are not sold at an auction and are ten (10) years old and older, licensee must have at least two (2) photographs depicting the condition of the vehicle and any other documentation to support the value of the vehicle.

**Section 3. Sign**

Each Licensee shall post and display a sign, that measures at least 20 inches by 20 inches, in a conspicuous place and in easy view of all persons who enter such place of business. The sign shall display bold, blocked letters easily readable and shall include the following information:

**NOTICE TO BORROWER**

**Mississippi law states, "A title pledge lender shall not advance funds to a pledgor to pay off an existing title pledge agreement". It is illegal to renew or pay off an existing title loan you have with this lender with the proceeds of a new title loan from this lender. We encourage you to report any violation to the Mississippi Department of Banking and Consumer Finance. You may be entitled to a refund if this Title Pledge Lender is found to be in violation of the law.**

**If you have any questions or need additional information about this type of transaction or about any other activity or procedure conducted in this office, please call or write:**

**Mississippi Department of Banking & Consumer Finance  
Post Office Drawer 23729  
Jackson, Mississippi 39225-3729  
Phone: 1-800-844-2499**

**Section 4. Title Pledge Office**

Section 75-67-435, Mississippi Code of 1972, Annotated defines a Title Pledge Office as “the location at which, or premises in which, a title pledge lender regularly conducts business. No other business other than title pledge business shall be conducted at a Title Pledge Office.” Therefore, to meet the requirements of this provision of the law, a Title Pledge Office is one that is further defined as: a location that has a definitive U. S. Postal address and/or E911 address; meets local zoning requirements; has a minimum of 100 square feet, with walls from floor to ceiling separating the operation from any other business(es); has an outside entrance, however you may be located in an area that has a common lobby shared by another business(es); proper signage; and maintain separate books and records. All title pledge business must be conducted in this location.

Upon adoption of this regulation, a current licensee operating a configuration less than these requirements has until June 30, 2001, the end of the current licensing period, to conform or their license will not be renewed. Any new application for license, after adoption of this regulation, shall include documentation attesting to the compliance of these regulations.

**Section 5. Other Fees/Charges**

Section 75-67-413 (1) states, “A title pledge lender may contract for and receive a title pledge service charge in lieu of interest or other charges for all services, expenses, cost and losses of every nature not to exceed twenty-five percent (25%) of the principal amount, per month, advanced in the title pledge transaction.” Therefore, a licensee may not charge any additional fees such as collection fees, late fees or any other type of fees.

**Section 6. Customer Refunds**

In the event a customer has been overcharged, licensee shall make refunds to the customer in the form of cash or check. The customer’s account may not be credited for any refund amount.

**Section 7. Violations**

The Commissioner shall enforce these Regulations. Any willful violation of and/or failure to comply with these Regulations may result in the assessment of a Civil Penalty not to exceed Five Hundred Dollars (\$500.00) for each violation thereof, the revocation of the Licensee’s license, or both in accordance with Mississippi law.

