



O. B. BOWEN, JR.  
STATE COMPTROLLER

## DEPARTMENT OF BANK SUPERVISION

JACKSON, MISSISSIPPI

In connection with supervising House Bill No. 39, entitled "AN ACT DEFINING AND REGULATING INSTALMENT SALES OF MOTOR VEHICLES: PRESCRIBING THE CONDITIONS UNDER WHICH SUCH SALES MAY BE MADE AND REGULATING THE FINANCING THEREOF; PROVIDE FOR ADMINISTRATION BY THE COMPTROLLER OF BANKS, ETC." Regular Session, Mississippi Legislature 1958, the following regulations are hereby promulgated; said regulations to supersede those previously issued by this office.


- I. RECORDS OF INSTALLMENT CONTRACTS - Each Sales Finance Office located in and licensed by the State of Mississippi must keep at that office a copy of all the Mississippi contracts it purchases and records thereof. Each Sales Finance Office located outside the State of Mississippi and licensed by the State of Mississippi for the purpose of doing business in Mississippi must keep its Mississippi contracts and the records thereof separate from other contracts and records for the purpose of examination. Such out of state offices shall be subject to all the provisions of House Bill 39 and its Regulations.
- II. EXCESS CHARGES - If there should be for any reason an overcharge in the finance charge, insurance charge or any other charge regulated or specified by law which is detected by the finance company prior to the payment of the first installment, this overage must be credited to the buyer on either his first or last installment, and notice given the buyer concerning such credit at the time it is made. In the event any error is detected during an annual examination of a Sales Finance Licensee such error must be corrected and the buyer notified by letter as to the nature of the error and how it has been corrected.
- III. MISCELLANEOUS FEES - There will be no allowance for fees charged the buyer other than official fees. Official fees are only those as stated in Section 9 of House Bill 39.
- IV. OFFICIAL FEES - The charge for official fees shall not exceed the actual charge prescribed in a given county for recording or otherwise perfecting and releasing or satisfying a retained title on a lien created by a retail installment contract, if recorded. Where a charge is made the buyer for an official fee for recording, such contract must be recorded within ten (10) days after the signing of the contract by the buyer. Where a charge is made in the contract for releasing, such contract must be released within ten (10) days after the last installment is paid. A Notary Fee may be charged only for the copy of the contract which is recorded.
- V. RETENTION OF RECORDS - Either a copy of the retail installment contract or an official record thereof containing all the information in the contract will be kept in the office of the Sales Finance Company for at least two (2) years after such contract is paid out. Records will indicate exact date payments are received on accounts and all prepaid accounts will reflect exact date payments are received to prepay accounts. Records will reflect amount of refunds on finance charges



on all prepaid accounts. If physical damage and credit life insurance are cancelled, records will indicate amount of refund on each charge.

- VI. INSURANCE - If any buyer pays in full at any time before maturity the debt of any retail installment contract and such contract contains an insurance premium, the buyer will be informed of the extent and duration of such insurance coverage.
- VII. EXPENSES OF INVESTIGATION - Expenses of investigation under House Bill 39 will be as set forth in Section 30 of this Act subject to the limitations contained in Section 5167 of the Mississippi Code of 1942, Annotated.
- VIII. IRREGULAR AND UNEQUAL INSTALLMENT PAYMENTS -
- A) Finance Charge - On contract with unequal or irregular installment payments, the finance charge may be at the effective rate permitted in Section 27 of H. B. 39. "Effective Rate" is interpreted to mean the actual yield resulting from a contract with equal and regular installments over the same period of time as that contract with unequal or irregular installments. Under no circumstances may the yield exceed the yield which would have resulted had the installments been payable equally and in regular order.
- B) Credit in Anticipation of Payments - Refunds on contracts paid off in advance which have irregular and unequal payments shall represent at least as great a proportion of the finance charge as the sum of the monthly time balances being prepaid bears to the sum of all the monthly time balances during the original term of the contract. In the case of unequal or irregular contracts, ten days or more would be considered one month.
- C) If credit life insurance is cancelled, refund will be made at the same proportion as in (b) above on irregular and unequal contracts.
- IX. CREDIT IN ANTICIPATION OF PAYMENT - Credit in anticipation of payments for contracts with equal and regular installments will be computed in accordance with Section 28 of House Bill 39 as reflected in the chart prepared and distributed by this office.
- X. RATE CHANGE DATE AS OUTLINED IN SECTION 27 - The rate change date according to auto year model will take place on November 1 of each calendar year. Reference Section 27, where the word "manufactured" is used, year of manufacture and year model are considered to be one and the same. For example, a 1963 auto is considered to be a 1963 model regardless of date of manufacture.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Bank Supervision at Jackson, Mississippi this the 16th day of February 1967.

  
O. B. Bowen, Jr.  
State Comptroller