



STATE OF MISSISSIPPI  
DEPARTMENT OF BANKING AND CONSUMER FINANCE

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**To: Mississippi Title Pledge Licensees**  
**From: Rhoshunda G. Kelly, Commissioner**  
**Subject: Equal Monthly Installments and Amortization Schedules**  
**Date: July 23, 2021**

The Mississippi Department of Banking and Consumer Finance (DBCF) has received an industry inquiry regarding the use of an "equal monthly installment option" for title pledge loans. Specifically, the question raised is whether DBCF intends to cease allowing an "equal monthly installment option" for title pledge loans. In responding to this inquiry, DBCF notes that a similar issue related to "amortization schedules" was addressed in a consent order issued by the Bureau of Consumer Financial Protection in the administrative proceeding, styled "In the Matter of: Triton Management Group, Inc., TMS Group, Inc. d/b/a Always Money, EFS, Inc. d/b/a Quik Pawn Shop, and Three Rivers Investment, Inc. d/b/a." The issue of amortization schedules was also addressed by said Bureau on May 29, 2020, in the administrative proceeding, styled, "In the Matter of: Main Street Personal Finance, Inc., ACA, Inc. dba Approved Cash Advance, and Quik Lend, Inc."

As a result of previous industry inquiries regarding amortization schedules, on August 27, 2020, DBCF issued guidance regarding "Use of Amortization Schedules." Said guidance noted that "a title pledge loan is, by definition, a" thirty-day written agreement," and as such, the MTPA [Mississippi Title Pledge Act] does not require that an "Amortization Schedule" be provided to a customer. Providing an "Amortization Schedule" at the origination of the aforementioned loan may imply that the transaction is an installment payment loan which is contrary to the provisions of the MTPA."

Neither DBCF guidance nor the orders issued by the Bureau allow for the use of "equal monthly installment" payment options, an amortization schedule, or any similar document. Title pledge lenders may use the provision of the MTPA that allows for the original agreement to be extended or continued for thirty-day periods as outlined in the previous guidance; however, such extension or continuation agreement should not be done at the same time that the initial pledge agreement is executed. Furthermore, the extension or continuation agreement must fully and accurately disclose the total fees charged along with the total payments and comply with all other requirements of the MTPA, as well as all federal Truth-in-Lending Act requirements.

In light of the above, DBCF hereby advises, effective October 1, 2021, title pledge licensees should not enter into any title pledge agreements using an "equal monthly installment option," "amortization schedule," or other similar document.

Please contact Taft Webb, Director, Consumer Finance Divisions at 601-321-6901 or [taft.webb@dbcf.ms.gov](mailto:taft.webb@dbcf.ms.gov) should you have any questions regarding these matters.