



STATE OF MISSISSIPPI  
DEPARTMENT OF BANKING AND CONSUMER FINANCE

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**MEMORANDUM**

**To: Mississippi Consumer Finance Licensees:  
Check Cashers, Title Pledge Lenders, and Credit Availability Lenders**

**From: Rhoshunda G. Kelly, Commissioner**

**Subject: Fees for Debit/Credit Card Transactions**

**Date: October 24, 2023**

It has come to the attention of the Mississippi Department of Banking and Consumer Finance (DBCFC) that certain Title Pledge Lenders, Check Cashers, and Credit Availability Lenders have been providing a service through a third-party vendor whereby customers are given an option to make payments using a debit or credit card upon payment of a fee by the customer to the third-party vendor.

It is DBCFC's determination that a licensee may provide such a service to its customers, however, a licensee **may not** charge a fee, either directly or indirectly, for such service. Please note that the manner in which the fee is collected does not change this determination. The option to use a debit or credit card is a service that is being provided by the licensee based on an agreement that the licensee has with the customer for payment due and owing to the licensee. Thus, the use of a third party for collection of such fee constitutes an indirect charge by the licensee for a service provided by the licensee and is in violation of the Title Pledge Act, Check Cashers Act, and the Credit Availability Act.

The fees that the subject licensees may charge are limited by the provisions of the Acts under which they are licensed. Specifically, the fees are limited as follows:

- Title Pledge Act, Section 75-67-413(1) and (2)
  - (1) 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.
  - (2) Any interest, charge or fees contracted for or received, directly or indirectly, in excess of the amount permitted under subsection (1) of this section shall be uncollectible and the title pledge transaction shall be void. The title pledge service charge allowed under subsection (1) of this section shall be deemed earned, due and owing as of the date of the title pledge transaction and a like sum shall be deemed earned, due and owing on the thirty-first day from the date of the transaction and on every thirtieth day thereafter.

- Check Cashers Act, Section 75-67-519(4)
  - (4)(a) A licensee shall not directly or indirectly charge any fee or other consideration in excess of Twenty Dollars (\$20.00) per One Hundred Dollars (\$100.00) advanced for cashing a delayed deposit check with a face amount of not more than Two Hundred Fifty Dollars (\$250.00).
  - (b) A licensee shall not directly or indirectly charge any fee or other consideration in excess of Twenty-one Dollars and Ninety-five Cents (\$21.95) per One Hundred Dollars (\$100.00) advanced for cashing a delayed deposit check with a face amount of more than Two Hundred Fifty Dollars (\$250.00) but not more than Five Hundred Dollars (\$500.00).
  - (c) In no event shall the amount of the checks cashed exceed Five Hundred Dollars (\$500.00), including the amount of the fee.
- Credit Availability Act, Section 75-67-619(1) and (2)
  - (1) Notwithstanding any other statutory limitation, a licensee authorized to provide credit availability transactions under this article may charge and collect fees and charges in a manner consistent with this section, and may take as security therefor any personal property that is not exempt or prohibited by state or federal law or regulations.
  - (2)(a) A licensee may charge and collect a monthly handling fee for services, expenses, and costs not to exceed twenty-five percent (25%) of the outstanding principal balance of any credit availability account per month, or any portion thereof, for transactions of Five Hundred Dollars (\$500.00) or less. The handling fee shall not be deemed interest for any purpose of law.
  - (b) A licensee may charge and collect a monthly handling fee for services, expenses, and costs not to exceed twenty-five percent (25%) of the outstanding principal balance of any credit availability account per month, or portion thereof, for transactions in excess of Five Hundred Dollars (\$500.00). The handling fee shall not be deemed interest for any purpose of law.
  - (c)(i) In addition to the charges authorized under this subsection (2), a licensee may also charge and collect an origination fee in the amount of one percent (1%) of the amount disbursed to the account holder or Five Dollars (\$5.00), whichever is greater, for costs associated with providing a credit availability transaction.
  - (ii) The origination fee shall not be deemed interest for any purpose of law.

In light of the above, all Title Pledge Lenders, Check Cashers, and Credit Availability Lenders should immediately cease from charging, either directly or indirectly through a third party, a fee for debit or credit card payments. Please note that failure to cease charging for such service as of the date of this memo will result in enforcement actions.

Should you have any questions, please contact Mike Garrard, Nonbank Division Director, at [mike.garrard@dbcf.ms.gov](mailto:mike.garrard@dbcf.ms.gov) or 601-321-6901.