

NOTICE OF RULE ADOPTION—FINAL RULE

**STATE OF MISSISSIPPI
Department of Banking and Consumer Finance
Consumer Finance Division**

Department of Banking and Consumer Finance
c/o John S. Allison, Commissioner
Theresa L. Brady, Deputy Commissioner
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Specific Legal Authority Authorizing the promulgation of Rule: §75-67-120 and 75-67-243

Reference to Rules repealed, amended or suspended by the Proposed Rule: This is a compilation of existing regulations for the Small Loan Regulatory Law and the Small Loan Privilege Tax Law. This compilation incorporates a new amendment which will be effective on July 1, 2006.

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule: This agency has determined the necessity to issue these Regulations for the sale and financing of auto club memberships due to the passage of Senate Bill 2374, during the 2006 Legislative Session, which authorized small loan lenders to offer auto club memberships to borrowers.

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date:
Time:
Place:

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

This rule as adopted is without variance from the proposed rule.

This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

The rule as adopted differs from the proposed rule. The differences however are:
Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and
The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: July 1, 2006

John S. Allison, Commissioner
Signature and Title of Person Submitting Rule for Filing

MEMORANDUM

TO: Small Loan Licensees and Interested Parties

FROM: Theresa L. Brady, Deputy Commissioner

DATE: May 25, 2006

RE: Adoption of Proposed Small Loan Regulations – Amendment Regarding the Sale and Financing of Auto Club Memberships

Pursuant to the Mississippi Administrative Procedures Law, Section 25-43-1.101 et seq., Miss. Code Ann., on May 25, 2006, the Department of Banking and Consumer Finance adopted the Proposed Regulations, governing the small loan business relating to the sale and financing of auto club memberships, which were filed on April 27, 2006, with the Office of the Secretary of State. The existing Small Loan Regulations that were effective on March 30, 2006, are hereby amended pursuant to the adoption of the Proposed Regulations. Notice was given that any comments regarding the Proposed Regulations were due to be received on or before May 24, 2006. As a result of the comments received, the following changes were made:

1) Section 12 (b) Disclosure Statement

The first sentence of the fourth paragraph has been changed to: **“Do you already have an active auto club membership with this same auto club company, sold to you by this consumer finance company?”** (This change will clarify the intent of this question which is to ensure that the customer is aware that he/she will be extending their existing auto club membership that was sold to them by the same licensee.)

2) Section 12 (c) Prohibited Acts

The last sentence of this section has been changed to: “In no event shall **the terms of the multiple** auto club memberships sold by the Licensee run concurrently.” (This change will further clarify the intent of this sentence which is to ensure that the same licensee does not sell multiple auto club memberships that run concurrently.)

Please be advised that several other minor editorial changes were made which also did not affect the substance of the Proposed Regulations. Enclosed is a complete copy of the new Small Loan Regulations which incorporates the amendment regarding the sale and financing of auto club memberships. **The enclosed Regulations will be effective on July 1, 2006. At that time, you may discard your copy of the Small Loan Regulations dated March 30, 2006, as well as the copy of the Proposed Regulations that were previously mailed to you.** Additional copies of these Regulations may be obtained by mail from the Department of Banking and Consumer Finance, P.O. Box 23729, Jackson, MS 39225-3729 or from our website, www.dbcf.state.ms.us.

