MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Banks To: Judiciary A

HOUSE BILL NO. 820

AN ACT TO REQUIRE CONTRACTS TO BE WRITTEN IN LARGE PRINT; TO AMEND SECTIONS 63-19-31 AND 81-21-13, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. From and after July 1, 2021, all contracts shall be written in a font of at least ten (10) point. Any portion of a contract that is written in a font of less than ten (10) point shall be unenforceable.

SECTION 2. Section 63-19-31, Mississippi Code of 1972, is amended as follows:

63-19-31. (1) (a) A retail installment contract shall be in writing, shall be signed by both the buyer and the seller, and shall be completed as to all essential provisions * * * before the signing of the contract by the buyer.

(b) From and after July 1, 2021, the printed portion of the contract, other than instructions for completion, shall be in at least * * * ten (10) point type. The contract shall contain in a size equal to at least * * * twelve (12) point bold type:

(i) A specific statement that liability insurance coverage for bodily injury and property damage caused to others is not included, if that is the case; and

(ii) The following notice: "Notice to the Buyer: 1. Do not sign this contract before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the contract you sign."

(c) The seller shall deliver to the buyer, or mail to him or her at his or her address shown on the contract, a copy of the contract signed by the seller. Until the seller does so, a buyer who has not received delivery of the motor vehicle shall have the right to rescind his or her agreement and to receive a refund of all payments made and return of all goods traded in to the seller on account of or in contemplation of the contract, or if such goods cannot be returned, the value thereof. From and after July 1, 2021, any acknowledgment by the buyer of the delivery of a copy of the contract shall be in a size equal to at least *** * *** twelve (12) point bold type and, if contained in the contract, shall appear directly above the buyer's signature.

(d) The contract shall contain the names of the seller and the buyer, the place of business of the seller, the residence or place of business of the buyer as specified by the buyer and a description of the motor vehicle including its make, year model, model and identification numbers or marks.

(2) The contract shall contain the following items:

(a) The cash sale price of the motor vehicle;

(b) The amount of the buyer's down payment, and whether made in money or goods, or partly in money and partly in goods;

(c) The difference between * * * paragraphs (a) and (b);

(d) The amount, if any, included for insurance and other benefits specifying the types of coverage and benefits;

(e) The amount of official fees;

(f) The amount, if any, actually paid or to be paid by the seller pursuant to an agreement with the buyer to discharge a security interest, lien or lease interest on property traded in;

(g) The principal balance, which is the sum of * * * paragraphs (c), (d), (e) and (f);

(h) The amount of the finance charge;

(i) The time balance, which is the sum of * * * paragraphs (g) and (h), payable in installments by the buyer to the seller, the number of installments, the amount of each installment and the due date or period thereof.

The above * * * paragraphs need not be stated in the sequence or order set forth. Additional items may be included to explain the calculations involved in determining the stated time balance to be paid by the buyer. Notwithstanding any provision of this chapter to the contrary, in any contract evidencing the sale of a commercial vehicle, the statement of the amount of the finance charge (* * * paragraph (h) * * * of this subsection) and the

amount of each installment (* * * paragraph (i) * * * of this subsection) may be calculated using the finance charge rate applicable to the transaction as of the date of execution of the contract, notwithstanding the fact that such finance charge rate may increase or decrease over the term of the contract according to any formula or index set forth in the contract; * * * however, * * * under no circumstances may the variable rate under such contract at any time exceed the finance charge limitations found in Section 63-19-43 * * *.

(3) No retail installment contract shall be signed by any party thereto when it contains blank spaces to be filled in after it has been signed except that, if delivery of the motor vehicle is not made at the time of the execution of the contract, the identifying numbers or marks of the motor vehicle or similar information and the due date of the first installment may be inserted in the contract after its execution. The buyer's written acknowledgment, conforming to the requirements of * * * paragraph (c) of subsection (1) of this section, of delivery of a copy of a contract shall be conclusive proof of such delivery, that the contract when signed did not contain any blank spaces except as * * * provided in this section, and of compliance with Sections 63-19-31 through 63-19-41 in any action or proceeding by or against the holder of the contract.

SECTION 3. Section 81-21-13, Mississippi Code of 1972, is amended as follows:

81-21-13. A premium finance agreement shall:

(a) From and after July 1, 2021, be dated and signed by or on behalf of the insured, and the printed portion thereof shall be in at least * * * ten (10) point type;

(b) Contain the name and place of business of the insurance agent or broker negotiating the related insurance contract, the name and residence or place of business of the insured, the name and place of business of the premium finance company, a brief description of the insurance contracts involved and the amount of the premium; and

(c) Set forth the following items, where applicable:

(i) The total amount of the premium, less an itemized listing of any nonrefundable charges;

(ii) The amount of the down payment;

(iii) The principal balance, which is the difference between the amounts stated under subparagraphs (i) and (ii) of this paragraph;

(iv) The amount of the interest and the annual percentage rate;

(v) The balance payable by the insured, meaning the sum of amounts stated under subparagraphs (iii) and (iv) of this paragraph; and

(vi) The number of installments required, the amount of each installment expressed in dollars and the due date or period thereof.

SECTION 4. This act shall take effect and be in force from and after July 1, 2021.

ST: Contracts; require to be written in large print.