

MEMO

TO: Small Loan Lenders
FROM: Theresa L. Brady, Deputy Commissioner
DATE: April 16, 2010
RE: Recent Law Changes Affecting Small Loan Lenders

The purpose of this memo is to inform you of recent law changes that affect small loan licensees:

- Section 75-67-121, Miss. Code Ann., of the Small Loan Regulatory Law, was amended extending the repealer on the sale of auto club memberships until July 1, 2015. This means that you may continue to sell auto club memberships until July 1, 2015 at which time the Legislature will again review the issue of the sale of auto club memberships and determine whether to continue to allow the sale of such. Also, please be advised, that you will no longer be required to submit auto club information on a quarterly basis as you have been doing in the past. However, you will be required to submit this information once a year on your license renewal application.
- Section 81-18-5(f), Miss. Code Ann., of the Mississippi S.A.F.E. Mortgage Licensing Act of 2009, was amended authorizing a licensing exemption for small loan lenders that will **only** service mortgage loans that were in the lender's own loan portfolio as of December 31, 2009. This means that if you ceased making mortgage loans prior to December 31, 2009, you are not required to obtain a mortgage license if you continue to service those loans only. Please be advised that you may only **service** these loans. **You may not renew or rework** the mortgage loans on your books unless you obtain a mortgage license.

For small loan lenders that are making mortgage loans, you must obtain a mortgage license before July 31, 2010. We strongly advise that you start the licensing process now as it is a detailed process and may take 4-6 weeks to obtain a license. If you should have any questions regarding licensing, please contact Carolyn Heck at 601.359.1031.

- Section 81-18-33(h), Miss. Code Ann., of the Mississippi S.A.F.E. Mortgage Licensing Act of 2009, was amended authorizing Small Loan Lenders to substitute an application, which is compliant with federal and state law, for the Uniform Residential Loan Application. This means that instead of using a Uniform Residential Loan Application ("Form 1003") for your mortgage loans, you may use an alternative application that is compliant with federal and state law.

If you have any questions or concerns regarding the law changes, please contact Taft Webb or me at 601.359.1031.