



## MS Credit Availability Act 2016

Effective July 1, 2016

1. **The MS Credit Availability Act** allows users to process installment loans with up to a 12-month term. There will be two ranges allowed:
  - \$0.00 - \$500.00
  - \$500.01 - \$2500.00
2. **Handling Fee**

The licensee may charge and collect a monthly handling fee for services, expenses and costs

  - Not to exceed 25% of the outstanding principal balance of any credit availability account
  - per month or any portion thereof,
  - for transactions of \$2500.00 or less.
  - The handling fee will not be deemed interest for any purpose of law.
  - This fee can be set to over-ridable, because the store can choose to charge less than 25%.
3. **Origination Fee**
  - The licensee may also collect an origination fee in the amount of 1% of the amount disbursed to the account holder or \$5.00, whichever is greater.
  - This fee is optional but not over-ridable.
4. **Rescind Period**
  - The rescind period is 1 business day;
  - However, if the account holder accepts funds from the credit availability licensee prior to the expiration of the 1-day rescission period, any origination fee charged shall be nonrefundable.
5. **Amortization**
  - \$0.00-\$500.00: These loans will be payable in equal payments of 4 to 6 months calculated on the amount initially disbursed to the account holder plus any fees that may be charged.
  - \$500.01-\$2500: These loans will be payable in equal installments of 6 to 12 months calculated on the amount initially disbursed to the account holder plus any fees that may be charged.
6. **Late Fees**
  - The licensee may charge and collect from the account holder a late fee of 10% of the past-due amount, applicable if the account holder has failed to pay the past-due amount within 10 **business days** after the due date
  - provided that such fees are clearly disclosed in the credit availability agreement.
7. **Default:** In the event an account holder is in default under the terms of a credit availability agreement for more than 60 days,
  - the licensee may charge and collect from the account holder the following fees in connection with any such default, provided such fees are clearly disclosed in the credit availability agreement.
  - If the licensee is required to employ a third party, including an attorney, to collect on the account, the licensee may:
    - Charge and collect a reasonable collection fee and attorney's fee.
    - Recover all court costs incurred and to recover any court awarded damages, including those incurred on appeal.
    - Charge and collect any fees and costs relating to the repossession and sale of collateral, including, but not limited to, fees and costs associated with the repossession, storage, preparation for sale and sale of collateral.