

I am vetoing House Bill No. 1646 today because it deprives the citizens of Mississippi of certain remedies when victimized by fraudulent conduct, intentional acts, of finance companies and replaces these rights with restrictive statutory relief grossly inadequate to the wrong and harm done.

House Bill 1646 would shield finance companies engaged in fraud and deception from the full consequences of their actions. As a result of deceptive policies and sharp practices, financially vulnerable citizens, working families and the elderly stand to lose their homes, equity, autos and property under the provisions of this bill even if they prevail. Yet the cost to finance companies under this bill would be limited to the reimbursement of "finance charges" unlawfully imposed, or in the most egregious cases finance charges, interest and the principal of the loan. While the actual financial injury to the borrower could amount to thousands of dollars amidst great anxiety and anguish, the costs, these "finance charges" represent little more than a business expense for loan companies. In no meaningful way would borrowers who have been victimized be fully compensated for their loss. And in no meaningful way would wrongdoers be deterred.

This bill is not about the legitimate business practices of responsible lenders who are essential to our economic way of life. This bill is about absolving the intentional and insidious conduct of loan companies that prey on our most vulnerable citizens. Were this bill to become effective, and its effective date is upon passage and immediate, loan companies involved in fraud, false representation and duplicity would pay the equivalent of a traffic ticket, and only if they were caught. Companies engaged in such predatory practices do not deserve such protection and companies that operate in a responsible and lawful manner do not need it.

Statutory remedies can be good policy but when they are both exclusive and insufficient, such remedies do not only limit risk but also serve to reward wrongful, harmful behavior. The bill would abrogate longstanding Mississippi common law on fraud, compensatory damages, punitive damages, declaratory relief and injunctive relief and the public policy in support thereof, that intentional and deliberate acts of unscrupulous lenders should be halted, punished and discouraged.

I urge the members to sustain the veto and reject House Bill No. 1646