SENATE JOINT RESOLUTION 20

51st legislature - STATE OF NEW MEXICO - second session, 2014

INTRODUCED BY

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A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 20 OF THE CONSTITUTION OF NEW MEXICO TO REDUCE THE MAXIMUM LAWFUL ANNUAL INTEREST RATE ALLOWED FOR THE EXTENSION OF CREDIT.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

- **SECTION 1.** It is proposed to amend Article 20 of the constitution of New Mexico by adding a new section to read:
- "A. Except as provided for in this section, the maximum lawful rate of interest charged or received for the extension of credit shall not exceed thirty-six percent per year.
- B. The calculation of interest shall include any periodic or nonperiodic interest, any periodic or nonperiodic finance charge, any ancillary products or services and any other charges or fees incident to the extension of credit.

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- D. The limitation on interest for the extension of credit shall not apply to any federally insured depository institution or government-issued bonds.
- E. In the event the United States prime lending rate exceeds ten percent, the maximum lawful rate of interest charged or received may exceed thirty-six percent per year but shall not exceed thirty percentage points in excess of the United States prime lending rate."

SECTION 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date that may be called for that purpose.

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