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FISCAL IMPACT REPORT

SPONSOR: Watchman DATE TYPED: 02/28/01 HB 814
 SHORT TITLE: Interest Rates for Motor Vehicle Loan SB _____
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

Relates to HB 280 also limits interest rates on auto loans

SOURCES OF INFORMATION

LFC Files

No Response

The Financial Institutions Division of the Regulation and Licensing Department (RLD) analysis had not been received prior to the writing of this report.

SUMMARY

Synopsis of Bill

This bill adds a new section (56-8-11.1 NMSA 1978) limiting the maximum interest rate on the secured sale of a motor vehicle. The maximum rates are as follows:

<u>Loan Amt.</u>	<u>Max. Rate</u>
\$1- \$499	17%
\$500 - \$2,499	15%
\$2,500 - \$4,999	13%
\$5,000 and up	10%

This section does not apply to business or commercial vehicles over 10,000 gross weight.

The bill provides for criminal penalties (misdemeanor) and fines for violations of these provisions.

FISCAL IMPLICATIONS

Unknown.

ADMINISTRATIVE IMPLICATIONS

The Attorney General's Office would likely experience some administrative impact if consumers are charged usurious rates and enforcement action is necessary.

JBE/ar