



SERVING NORTHERN
NEW MEXICO SINCE

1948

MEMBERS

23,500



ASSETS

\$238 M



505-982-8942
800-540-5382

www.guadalupecu.org

Federally Insured By NCUA

CONTACT US

NAME/TITLE: _____

PHONE: _____

EMAIL: _____

PROVIDING FINANCIAL EMPOWERMENT
WITHIN THE COMMUNITIES WE SERVE.

**CDFI-CERTIFIED
& LOW INCOME
DESIGNATED**

Guadalupe Credit Union is a not-for-profit dedicated to serving the underserved. Our focus is to provide low-income families, students, and others access to fair, affordable, and trustworthy financial services.

**FAIR
LENDING
ADVOCATE**

New Mexico allows small loan companies to charge interest rates as high as 175% annually. Guadalupe Credit Union is an advocate of lowering New Mexico's maximum annual interest rate to 36%.

**JUNTOS
AVANZAMOS
DESIGNEE**

Together We Advance Guadalupe Credit Union works to empower Hispanic consumers. Many immigrants remain unbanked and are often subject to predatory financial practices.

**FREE
FINANCIAL
EDUCATION**

Guadalupe Credit Union has certified financial coaches on hand. Our educators cover a variety of subjects in English and Spanish, including money management, credit, and future planning.



August 20th, 2021

To: Economic Development and Policy Committee

From: Diane Sandoval-Griego, Guadalupe Credit Union

Re: Loan Sample contracts

You will find two contracts that have been brought to us by members seeking assistance with high interest installment loans. Below is background information for each case. We are asking our community leaders for their support in lowering the interest rate cap to 36%.

Example 1 -Member had obtained small installment loans to try and pay down the loan she took with Title Max. She used her free and clear title at title max due to needing to purchase a furnace back in Oct/Nov. Her monthly payments are \$1,668.00. At the time she obtained these loans, she was not receiving income. We were able to assist and she had a credit score of 470 when she asked for help.

Example 2- A grandfather that needed to pay expenses for his grandchild who he was raising and living on social security of \$1,248 a month had borrowed funds from a lender at 130.68%. His monthly payment was 962.00 a month which exceeded his capacity to repay. He asked us for assistance. The car was worth \$7950 and his total payback would have been \$46,169.16. We were able to assist him with a score of 570.

For additional background information about this industry and its effects on communities, please visit this investigative report from KRQE's Larry Barker. He includes New Mexican's sharing their experiences about these types of loans on their lives.

<https://www.krqe.com/news/larry-barker/can-you-be-charged-175-interest-on-a-loan-in-new-mexico-yes-and-its-legal/>

LOAN AGREEMENT, PROMISSORY NOTE AND SECURITY AGREEMENT

THIS AGREEMENT CONTAINS A WAIVER OF JURY TRIAL AND ARBITRATION CLAUSE (THE "CLAUSE"). UNLESS I OPT OUT OF THE CLAUSE, IT WILL SUBSTANTIALLY IMPACT MY RIGHTS IF I HAVE A DISPUTE WITH LENDER, INCLUDING MY RIGHT TO TAKE PART IN A CLASS ACTION. READ THE CLAUSE CAREFULLY.

Lender: TitleMax of New Mexico, Inc. d/b/a TitleMax 1205 N. RIVERSIDE DRIVE ESPANOLA, NM 87532		Loan Date: [REDACTED] Loan Number: [REDACTED] Lender Customer Service: (505) 395-2495	
Borrower: [REDACTED] ESPANOLA, NM 87532		Co-Borrower: N/A	
Motor Vehicle Year: [REDACTED]	Motor Vehicle Make: [REDACTED]	Motor Vehicle Model: [REDACTED]	Motor Vehicle ID #: [REDACTED]

In this Loan Agreement, Promissory Note and Security Agreement (the "Note"), "I", "me" and "my" mean each Borrower and Co-Borrower who signs this Note. "Lender", "you" and "your" refer to TitleMax of New Mexico, Inc. "Loan" means the loan made by Lender to Borrower hereunder. "Vehicle" means the motor vehicle described above. Lender is a Small Loan Company licensed and regulated by the New Mexico Financial Institutions Division, P.O. Box 25101, Santa Fe, NM 87504, Phone: (505) 476-4885, Fax: (505) 476-4670, www.rld.state.nm.us. Lender operates under the New Mexico Small Loan Act of 1955, though Loans of more than \$5,000.00 are made pursuant to NM Stat. Ch. 56, Art. 8.

FEDERAL TRUTH-IN-LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.
150.68 %	\$54,036.17	\$10,004.25	\$64,040.42

Payment Schedule: My payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due (each a "Payment Due Date")*
47 payments of \$ 1,334.36	\$ 1,334.36	Monthly payments beginning on 1/19/2020
1 payment of \$ 1,325.50	\$ 1,325.50	12/19/2023

* If the first Monthly Payment Due Date is the 29th or 30th, payments will be due the same day each month (or the last day of February, as applicable). If the first Monthly Payment Due Date is the 31st, payments in subsequent months will be due the last day each month.

Security: I am giving a security interest in the Vehicle identified above.

Lien Filing Fee: \$0.00

Prepayment: Lender will not charge a prepayment penalty/charge if I pay all or part of the principal balance before the date on which the principal is due.

Late Fee: \$10 or 5% of the scheduled installment amount (whichever amount is less), for any installment not paid after the 10th day after the date on which the installment is due.

See the remainder of this document for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment penalties.

Itemization of Amount Financed:	
Amount given to me directly:	\$5,000.00
<u>Plus:</u> Amount paid on my account with Lender (loan # 10620-2783-46434780)	\$5,004.25

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Lender: TitleMax of New Mexico, Inc. d/b/a TitleMax 1205 N. RIVERSIDE DRIVE ESPANOLA, NM 87532		Loan Date: [REDACTED] Loan Number: [REDACTED] Lender Customer Service: 1-800-804-5368	
Borrower: ESPANOLA, NM 87532		Co-Borrower: N/A	
Motor Vehicle Year:	Motor Vehicle Make:	Motor Vehicle Model:	Motor Vehicle ID #:
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

In this Loan Agreement, Promissory Note and Security Agreement (the "Note"), "I", "me" and "my" mean each Borrower and Co-Borrower who signs this Note. "Lender", "you" and "your" refer to TitleMax of New Mexico, Inc. "Loan" means the loan made by Lender to Borrower hereunder. "Vehicle" means the motor vehicle described above. Lender is a Small Loan Company licensed and regulated by the New Mexico Financial Institutions Division, P.O. Box 25101, Santa Fe, NM 87504, Phone: (505) 476-4885, Fax: (505) 476-4670, www.rld.state.nm.us. Lender operates under the New Mexico Small Loan Act of 1955, though Loans of more than \$5,000.00 are made pursuant to NM Stat. Ch. 56, Art. 8.

FEDERAL TRUTH-IN-LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.
130.68%	\$37,614.63	\$8,554.53	\$46,169.16

Payment Schedule: My payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due (each a "Payment Due Date")*
47	\$962.00	Monthly, beginning on 05/03/2019
1	\$955.16	04/03/2023

* If the first Payment Due Date is the 29th or 30th, payments will be due the same day each month (or for February, the last day). If the first Payment Due Date is the 31st, payments will be due the last day each month.

Security: I am giving a security interest in the Vehicle identified above.

Lien Filing Fee: \$0.00

Prepayment: Lender will not charge a prepayment penalty/charge if I pay all or part of the principal balance before the date on which the principal is due.

Late Fee: \$10 or 5% of the scheduled installment amount (whichever amount is less), for any installment not paid after the 10th day after the date on which the installment is due.

See the remainder of this document for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment penalties.

Itemization of Amount Financed:	
Amount given to me directly:	\$2,141.00
Plus: Amount paid on my account with Lender (loan #	\$6,413.53
Plus: Amounts paid to other parties on my behalf	
Payment to: N/A	N/A
Payment to: N/A	N/A
Equals: Amount Financed/Principal Loan Amount	\$8,554.53