

1 A MEMORIAL

2 REQUESTING THE REGULATION AND LICENSING DEPARTMENT TO CONDUCT
3 A STUDY OF THE EXISTING REGULATORY FRAMEWORK FOR CONSUMER
4 LENDING, CONSUMER LENDING PRACTICES AND CONSUMER LENDING
5 NEEDS.

6
7 WHEREAS, many New Mexicans need access to short-term and
8 long-term loans for a variety of purposes; and

9 WHEREAS, this need extends throughout the population,
10 affecting persons with both substantial income and financial
11 resources as well as those existing with little or no income
12 and inadequate financial resources on a daily basis; and

13 WHEREAS, the New Mexico Small Loan Act was originally
14 enacted by the legislature in 1955; and

15 WHEREAS, the Motor Vehicle Sales Act was originally
16 enacted by the legislature in 1958; and

17 WHEREAS, the New Mexico Bank Installment Loan Act was
18 originally enacted by the legislature in 1959; and

19 WHEREAS, state laws relating to money and usury were
20 extensively revised in 1983; and

21 WHEREAS, the Pawnbrokers Act was originally enacted by
22 the legislature in 1985; and

23 WHEREAS, the Home Loan Protection Act was originally
24 enacted by the legislature in 2001; and

25 WHEREAS, current statutes and rules relating to consumer SM 41
Page 1

1 lending have not been comprehensively updated to reflect
2 recent trends in consumer financing;

3 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
4 STATE OF NEW MEXICO that the director of the financial
5 institutions division of the regulation and licensing
6 department be requested to establish a consumer lending study
7 committee made up of representatives of all segments of the
8 consumer loan industry and consumers within the state; and

9 BE IT FURTHER RESOLVED that the consumer lending study
10 committee be requested to study the existing state statutes
11 and administrative rules and current consumer lending
12 practices in the state to determine what statutory or
13 regulatory framework might be needed to regulate modern
14 consumer lending practices to ensure consumer access to
15 necessary financial services and protect consumers from
16 predatory lending practices as well as to provide a healthy
17 economic environment for both lenders and consumers; and

18 BE IT FURTHER RESOLVED that the director of the
19 financial institutions division of the regulation and
20 licensing department present the findings and recommendations
21 of the consumer lending study committee to the governor and
22 to the appropriate interim legislative committees by
23 September 30, 2008; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the governor, the superintendent of regulation

1 and licensing and the director of the financial institutions

2 division of the regulation and licensing department.

SM 41
Page 3

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25