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SENATE MEMORIAL 41

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Bernadette M. Sanchez

A MEMORIAL

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

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

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

WHEREAS, the New Mexico Small Loan Act was originally enacted by the legislature in 1955; and

WHEREAS, the Motor Vehicle Sales Act was originally enacted by the legislature in 1958; and

WHEREAS, the New Mexico Bank Installment Loan Act was

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1 originally enacted by the legislature in 1959; and

2 WHEREAS, state laws relating to money and usury were
3 extensively revised in 1983; and

4 WHEREAS, the Pawnbrokers Act was originally enacted by the
5 legislature in 1985; and

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

8 WHEREAS, current statutes and rules relating to consumer
9 lending have not been comprehensively updated to reflect recent
10 trends in consumer financing;

11 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
12 OF NEW MEXICO that the director of the financial institutions
13 division of the regulation and licensing department be
14 requested to establish a consumer lending study committee made
15 up of representatives of all segments of the consumer loan
16 industry and consumers within the state; and

17 BE IT FURTHER RESOLVED that the consumer lending study
18 committee be requested to study the existing state statutes and
19 administrative rules and current consumer lending practices in
20 the state to determine what statutory or regulatory framework
21 might be needed to regulate modern consumer lending practices
22 to ensure consumer access to necessary financial services and
23 protect consumers from predatory lending practices as well as
24 to provide a healthy economic environment for both lenders and
25 consumers; and

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1 BE IT FURTHER RESOLVED that the director of the financial
2 institutions division of the regulation and licensing
3 department present the findings and recommendations of the
4 consumer lending study committee to the governor and to the
5 appropriate interim legislative committees by September 30,
6 2008; and

7 BE IT FURTHER RESOLVED that copies of this memorial be
8 transmitted to the governor, the superintendent of regulation
9 and licensing and the director of the financial institutions
10 division of the regulation and licensing department.