SENATE BILL 233

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Peter Wirth

AN ACT

RELATING TO LENDING; AMENDING THE NEW MEXICO BANK INSTALLMENT
LOAN ACT OF 1959 AND THE NEW MEXICO SMALL LOAN ACT OF 1955;
ADDING AND AMENDING CERTAIN DEFINITIONS; IMPOSING A CAP ON
INTEREST RATES AND FEES FOR CERTAIN LOANS; AMENDING PAYDAY LOAN
DISCLOSURE REQUIREMENTS; REPEALING A SECTION OF THE NEW MEXICO
SMALL LOAN ACT OF 1955.

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

SECTION 1. Section 58-7-1 NMSA 1978 (being Laws 1959,
Chapter 327, Section 1) is amended to read:

"58-7-1. SHORT TITLE.--[This act shall be known] Chapter
58, Article 7 NMSA 1978 may be cited as the "New Mexico Bank
Installment Loan Act of 1959"."

SECTION 2. Section 58-7-3 NMSA 1978 (being Laws 1995,
Chapter 190, Section 15) is amended to read:

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"58-7-3. LOANS COVERED BY ACT.--The New Mexico Bank Installment Loan Act of 1959 applies to a loan that is a precomputed loan repayable in installments [or that is clearly identified on the loan documents as being made under that act]."

SECTION 3. Section 58-7-3.1 NMSA 1978 (being Laws 1983, Chapter 96, Section 1) is amended to read:

"58-7-3.1. LOAN DEFINITIONS--PRECOMPUTED LOAN INTEREST CALCULATION.--

A. As used in the New Mexico Bank Installment Loan Act of 1959:

(1) "installment loan" means a loan that is to be repaid in a minimum of four successive substantially equal payment amounts to pay off that loan in its entirety with a period of not less than one hundred twenty days to maturity; and

(2) "precomputed loan" means an installment loan in which the loan principal and interest owed are computed and scheduled for payment over the life of the loan.

B. If [the] a loan is a precomputed loan transaction, the interest charge may be calculated on the assumption that all scheduled payments will be made when due, and the effect of prepayment is governed by the provisions of rebate upon prepayment in Section 58-7-5 NMSA 1978."

SECTION 4. Section 58-7-9 NMSA 1978 (being Laws 1959, .188347.2SA
Chapter 327, Section 10, as amended) is amended to read:

"58-7-9. CONSTRUCTION.--

A. None of the provisions of the New Mexico Small Loan Act of 1955 are amended or repealed by the New Mexico Bank Installment Loan Act of 1959.

B. With the exception of precomputed loan transactions, a lender is not bound by the provisions of the New Mexico Bank Installment Loan Act of 1959 in making loans where the loan is made in accordance with the provisions of Sections 56-8-9 through 56-8-14 NMSA 1978.

C. None of the provisions of the New Mexico Bank Installment Loan Act of 1959 apply to the assignment or purchase of retail installment contracts originated under the provisions of [Sections 58-19-1 through 58-19-14 NMSA 1978] the Motor Vehicle Sales Finance Act or originated under the provisions of [Sections 56-1-1 through 56-1-15] Chapter 56, Article 1 NMSA 1978.

D. In the event of a conflict between a requirement of the New Mexico Bank Installment Loan Act of 1959 and a requirement of the Home Loan Protection Act, the requirement of the Home Loan Protection Act shall control.

E. As used in the New Mexico Bank Installment Loan Act of 1959:

(1) "year" means three hundred sixty-five days; and
(2) "month" means one-twelfth of a year.

F. The director of the financial institutions division of the regulation and licensing department shall issue and file as required by law interpretive regulations to effectuate the purposes of the New Mexico Bank Installment Loan Act of 1959. In issuing, amending or repealing interpretive regulations, the director shall issue the regulation amendment or repeal of the regulation as a proposed regulation amendment or repeal of a regulation and file it for public inspection in the office of the director of the financial institutions division. Distribution thereof shall be made to interested persons, and their comments shall be invited. After the proposed regulation has been on file for not less than two months, the director may issue it as a final regulation by filing as required by law. Any person who is or may be adversely affected by the adoption, amendment or repeal of a regulation under this section may file an appeal of that action in the district court in Santa Fe county within thirty days after the filing of the adopted regulation, amendment or repeal as required by law.

G. Any person, corporation or association complying with the regulations adopted by the director of the financial institutions division of the regulation and licensing department is deemed to have complied with the provisions of the New Mexico Bank Installment Loan Act of 1959.
H. [All loans other than precomputed] A loan transaction made [under] pursuant to the New Mexico Bank Installment Loan Act of 1959 shall be clearly identified on the loan documents as being made [under] pursuant to that act."

SECTION 5. Section 58-15-2 NMSA 1978 (being Laws 1955, Chapter 128, Section 2, as amended) is amended to read:

"58-15-2. DEFINITIONS.--The following words and terms when used in the New Mexico Small Loan Act of 1955 have the following meanings unless the context clearly requires a different meaning. The meaning ascribed to the singular form applies also to the plural:

A. "active borrower" means a consumer with an existing, open loan or debt obligation to the lender;

B. "consumer" means a person who enters into a loan agreement and receives the loan proceeds in New Mexico;

C. "debit authorization" means an authorization signed by a consumer to electronically transfer or withdraw funds from the consumer's account for the specific purpose of repaying a loan;

D. "debt-to-income ratio" means the percentage of the consumer's monthly income used for payment of monthly debt obligations, including rent or mortgage, credit card payments and other monthly debt obligations compared to the consumer's gross monthly income;
E. "department" or "division" means the financial institutions division of the regulation and licensing department;

F. "director" means the director of the division;

G. "inactive borrower" means a consumer who has had at least one prior loan or debt obligation with the lender;

H. "installment loan" means a loan that is to be repaid in a minimum of four successive substantially equal payment amounts to pay off that loan in its entirety with a period of not less than one hundred twenty days to maturity. "Installment loan" does not mean a loan in which a licensee requires, as a condition of making the loan, the use of postdated checks or debit authorizations for repayment of that loan;

I. "license" means a permit issued under the authority of the New Mexico Small Loan Act of 1955 to make loans and collect charges therefor strictly in accordance with the provisions of that act at a single place of business. It shall constitute and shall be construed as a grant of a revocable privilege only to be held and enjoyed subject to all the conditions, restrictions and limitations contained in the New Mexico Small Loan Act of 1955 and lawful regulations promulgated by the director and not otherwise;

J. "licensee" means a person to whom one or
more licenses have been issued pursuant to the New Mexico Small Loan Act of 1955 upon the person's written application electing to become a licensee and consenting to exercise the privilege of a licensee solely in conformity with the New Mexico Small Loan Act of 1955 and the lawful regulations promulgated by the director under that act and whose name appears on the face of the license;

[H-] K. "payday loan" means a loan in which the licensee accepts a personal check or debit authorization tendered by the consumer and agrees [in writing] to defer presentment of that check or use of the debit authorization until the consumer's next payday or another date agreed to by the licensee and the consumer and:

(1) includes any advance of money or arrangement or extension of credit whereby the licensee, for a fee, finance charge or other consideration:

(a) accepts a dated personal check or debit authorization from a consumer for the specific purpose of repaying a payday loan;

(b) agrees to hold a dated personal check or debit authorization from a consumer for a period of time prior to negotiating or depositing the personal check or debit authorization; or

(c) pays to the consumer, credits to the consumer's account or pays another person on behalf of the

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consumer the amount of an instrument actually paid or to be
paid pursuant to the New Mexico Small Loan Act of 1955; but

(2) does not include:

(a) an overdraft product or service
offered by a banking corporation, savings and loan association
or credit union; and

(b) installment loans;

"payday loan product" means a payday loan
or a payment plan pursuant to Section 58-15-35 NMSA 1978;

"person" includes an individual, copartner,
association, trust, corporation and any other legal entity;

"precomputed loan" means an installment loan in
which the loan principal and interest owed are computed and
scheduled for payment over the life of the loan;

"renewed payday loan" means a loan in which
a consumer pays in cash the administrative fee payable under a
payday loan agreement and refines all or part of the unpaid
principal balance of an existing payday loan with a new payday
loan from the same licensee. A "renewed payday loan" includes
a transaction in which a consumer pays off all or part of an
existing payday loan with the proceeds of a payday loan from
the same licensee; and

"simple interest" means a method of
calculating interest in which the amount of interest is
calculated based on the annual interest rate disclosed in the
loan agreement and is computed only on the outstanding
principal balance of the loan."

SECTION 6. Section 58-15-3 NMSA 1978 (being Laws 1955,
Chapter 128, Section 3, as amended) is amended to read:

"58-15-3. APPLICABILITY OF ACT--EXEMPTIONS--EVASIONS--
PENALTY.--

A. A person shall not engage in the business of
[lending in amounts of two thousand five hundred dollars
($2,500) or less for a loan] making loans without first having
obtained a license from the director. Nothing contained in
this subsection shall restrict or prohibit a licensee under the
New Mexico Small Loan Act of 1955 from making precomputed loans
in any amount under the New Mexico Bank Installment Loan Act of
1959 in accordance with the provisions of Section 58-7-2 NMSA
1978; provided, however, that loans in an amount of five
thousand dollars ($5,000) or less shall be made only pursuant
to the New Mexico Small Loan Act of 1955.

B. Nothing in the New Mexico Small Loan Act of 1955
shall apply to a person making individual advances of [two
thousand five hundred dollars ($2,500) or less under] five
thousand dollars ($5,000) or less pursuant to a written
agreement providing for a total loan or line of credit in
excess of [two thousand five hundred dollars ($2,500)] five
thousand dollars ($5,000).

C. A banking corporation, savings and loan
association or credit union operating under the laws of the
United States or of a state shall be exempt from the licensing
requirements of the New Mexico Small Loan Act of 1955, nor
shall that act apply to business transacted by any person under
the authority of and as permitted by any such law nor to any
bona fide pawnbroking business transacted under a pawnbroker's
license nor to bona fide commercial loans made to dealers upon
personal property held for resale. Nothing contained in the
New Mexico Small Loan Act of 1955 shall be construed as
abridging the rights of any of those exempted from the
operations of that act from contracting for or receiving
interest or charges not in violation of an existing applicable
statute of this state.

D. The provisions of Subsection A of this section
apply to:

(1) a person who owns an interest, legal or
equitable, in the business or profits of a licensee and whose
name does not specifically appear on the face of the license,
except a stockholder in a corporate licensee; and

(2) a person who seeks to evade its
application by any device, subterfuge or pretense whatsoever,
including but not thereby limiting the generality of the
foregoing:

(a) the loan, forbearance, use or sale
of credit (as guarantor, surety, endorser, comaker or
otherwise), money, goods or things in action;

(b) the use of collateral or related
sales or purchases of goods or services or agreements to sell
or purchase, whether real or pretended;

(c) receiving or charging compensation
for goods or services, whether or not sold, delivered or
provided; and

(d) the real or pretended negotiation,
arrangement or procurement of a loan through any use or
activity of a third person, whether real or fictitious.

E. A person, copartnership, trust or a trustee or
beneficiary thereof or an association or corporation or a
member, officer, director, agent or employee thereof who
violates or participates in the violation of a provision of
Subsection A of this section is guilty of a petty misdemeanor
and upon conviction shall be sentenced pursuant to the
provisions of Subsection B of Section 31-19-1 NMSA 1978. A
contract or loan in the making or collection of which an act is
done that violates Subsection A or D of this section is void,
and the lender has no right to collect, receive or retain any
principal, interest or charges whatsoever.

F. A person making a loan pursuant to the New
Mexico Small Loan Act of 1955 shall not use a device or
agreement that would have the effect of charging or collecting
more fees, charges or interest than that allowed by law by

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entering into a different type of transaction with the borrower 
that would have that effect."

SECTION 7. Section 58-15-9 NMSA 1978 (being Laws 1955, 
Chapter 128, Section 9, as amended) is amended to read:

"58-15-9. EXAMINATION OF LICENSEE'S BOOKS AND RECORDS--
WITNESSES.--

A. At least once each year, the director or the 
director's authorized representative shall make an examination 
of the place of business of each licensee and the loans, 
transactions, books, papers and records of the licensee insofar 
as they pertain to the business licensed under the New Mexico 
Small Loan Act of 1955 as the director may deem necessary. The 
licensee shall pay to the director for such annual examination 
a fee of two hundred dollars ($200).

B. Within a reasonable time after the completion of 
an examination of a licensed office, the director shall mail to 
the licensee a copy of the report of the examination, together 
with any comments, exceptions, objections or criticisms of the 
director concerning the conduct of the licensee and the 
operation of the licensed office.

C. For the purpose of discovering violations of the 
New Mexico Small Loan Act of 1955 or of securing information 
lawfully required under that act, the director or the 
director's authorized representative may at any time 
investigate the business and examine the books, accounts,
papers and records used therein, including income tax returns or other reports filed in the office of the director of the revenue processing division of the taxation and revenue department of:

(1) any licensee;

(2) any other person engaged in the business described in Subsection A of Section 58-15-3 NMSA 1978 or participating in such business as principal, agent, broker or otherwise; and

(3) any person whom the director has reasonable cause to believe is violating any provision of the New Mexico Small Loan Act of 1955, whether the person claims to be within the authority or beyond the scope of that act.

D. For the purposes of this section, a person who advertises, solicits or makes any representation as being willing to make loan transactions in any amount, except persons, financial institutions or lending agencies operating under charters or licenses issued by a state or federal agency or under any special statute, shall be subject to investigation under the New Mexico Small Loan Act of 1955 and shall be presumed to be engaged in the business described in Subsection A of Section 58-15-3 NMSA 1978 as to any loans [of two thousand five hundred dollars ($2,500) or less].

E. To facilitate the examinations and investigations by the director and fully disclose the

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operations and methods of operation of each licensed office, 
the licensee shall, in each licensed office, keep on file as 
part of the records of the office all office manuals, 
communications or directives containing statements of loan 
policy to office managers and employees. If the licensee is an 
individual, corporation, trust or association, the licensee 
shall keep in at least one office for information of the 
director a record of the several individuals, firms, 
beneficiaries of any trust and corporations deriving or 
receiving any part of the benefits, net income or profits from 
the operation of the licensee within New Mexico.

F. For the purposes of this section, the director 
or the director's authorized representative shall have and be 
given free access to the offices and places of business, files, 
safes and vaults of all licensees and shall have authority to 
require the attendance of any person and to examine the person 
under oath relative to such loans or business or to the subject 
matter of any examination, investigation or hearing as provided 
before the director for examination under oath may be served by 
registered mail. If the party notified to appear is the 
licensee, any person named on the face of the license being 
investigated or any agent, employee or manager participating in 
the licensee's business and the party fails to appear for 
examination or refuses to answer questions submitted, the
director may, forthwith and without further notice to the
licensee, suspend the license involved pending compliance with
the notice. Upon failure of any other person to appear or to
answer questions, the director may apply to and invoke the aid
of any district court of New Mexico in compelling the
attendance and testimony of any such person and the production
of books, records, written instruments and documents relating
to the business of the licensee. The district court whose aid
is so invoked by the director may, in case of contumacy or
refusal to obey any order of the district court issued to
compel the attendance of the person or the production of books,
records, written instruments and documents, punish the person
as for contempt of court.

G. The director shall prescribe rules of procedure
for all hearings, examinations or investigations provided for
in the New Mexico Small Loan Act of 1955. The director is not
bound by the usual common law or statutory rules of evidence or
by any technical or formal rules of procedure or pleading and
specification of charges other than as specifically provided in
the New Mexico Small Loan Act of 1955 but may conduct hearings,
examinations and investigations in the manner best calculated
to ascertain the substantial rights of the parties interested.

H. The director has the power to administer oaths,
certify official acts and records of the director's office,
issue subpoenas for witnesses in the name of and under the seal
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of the director's office and compel the production of papers, books, accounts and documents. The director shall issue subpoenas at the instance of any party to a hearing before the division upon payment of a fee of two dollars fifty cents ($2.50) for each subpoena so issued.

I. Depositions may be taken with or without a commission, and written interrogatories may be submitted in the same manner and on the same grounds provided by law for the taking of depositions or submission of written interrogatories in civil actions pending in the district courts of this state.

J. Each witness who appears before the director by the director's order shall receive the fees and mileage provided for witnesses in civil actions in the district court. Fees and mileage shall be paid by the state, but no witness subpoenaed at the instance of parties other than the director is entitled to compensation from the state for attendance or mileage unless the director certifies that the witness' testimony is material.

K. Whenever the director has reasonable cause to believe that a person is violating a provision of the New Mexico Small Loan Act of 1955, the director may, in addition to all actions provided for in that act and without prejudice thereto, enter an order requiring the person to desist or to refrain from the violation. An action may be brought on the relation of the attorney general and the director to enjoin the
person from engaging in or continuing the violation or from
doing any act in furtherance of the violation. In any such
action, an order or judgment may be entered awarding a
preliminary or final injunction as may be deemed proper. In
addition to all other means provided by law for the enforcement
of a temporary restraining order, temporary injunction or final
injunction, the court in which such action is brought shall
have power and jurisdiction to impound and to appoint a
receiver for the property and business of the defendants,
including books, papers, documents and records pertaining
thereto or so much thereof as the court may deem reasonably
necessary to prevent further violations of the New Mexico Small
Loan Act of 1955 through or by means of the use of the property
and business. The receiver, when appointed and qualified,
shall have powers and duties as to custody, collection,
administration, winding up and liquidation of the property and
business as are from time to time conferred upon the receiver
by the court."

SECTION 8. Section 58-15-12 NMSA 1978 (being Laws 1955,
Chapter 128, Section 12, as amended) is amended to read:

"58-15-12. ADVERTISING.--A licensee or other person
subject to the New Mexico Small Loan Act of 1955 shall not
advertise, display, distribute or broadcast or cause or permit
to be advertised, displayed, distributed or broadcast in any
manner whatsoever a false, misleading or deceptive statement or
representation with regard to the charges, terms or conditions for loans [in the amount or of the value of two thousand five hundred dollars ($2,500) or less]. The director may require that charges or rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the director deems necessary to prevent misunderstanding by prospective borrowers. The director may permit or require licensees to refer in their advertising to the fact that their business is under state supervision, subject to conditions imposed by the director to prevent erroneous impressions as to the scope or degree of protection provided by the New Mexico Small Loan Act of 1955."

SECTION 9. A new section of the New Mexico Small Loan Act of 1955 is enacted to read:

"[NEW MATERIAL] LOANS--MAXIMUM INTEREST RATES--MINIMUM LOAN PERIOD.--

A. The stated contract rate of interest for any loan with a principal amount of five thousand dollars ($5,000) or less entered into pursuant to the New Mexico Small Loan Act of 1955 shall be no greater than the prime rate plus thirty-six percent per year. As used in this subsection, "prime rate" means the United States prime rate of interest as listed in the online internet edition of the Wall Street Journal as of the last business day of the preceding month.

B. A person required to be a licensee pursuant to the New Mexico Small Loan Act of 1955, when making a loan with
a principal amount of five thousand dollars ($5,000) or less pursuant to the New Mexico Small Loan Act of 1955, shall not charge any interest or fees not provided for in Subsection A of this section or in Section 58-15-20 NMSA 1978.

C. A loan made pursuant to the New Mexico Small Loan Act of 1955 shall be an installment loan payable in substantially equal monthly payments.

D. The provisions of this section do not apply to payday loans."

SECTION 10. A new section of the New Mexico Small Loan Act of 1955 is enacted to read:

"[NEW MATERIAL] ABILITY TO REPAY.--

A. No licensee shall originate a loan that does not require documentation and consideration of the consumer's reasonable ability to repay that loan pursuant to its terms.

B. A consumer's ability to repay a loan shall be demonstrated through reasonably reliable documentation of the consumer's income, the consumer's monthly debt obligations, the cost of the loan, including principal and interest for the full term of the loan, and the consumer's debt-to-income ratio."

SECTION 11. A new section of the New Mexico Small Loan Act of 1955 is enacted to read:

"[NEW MATERIAL] PROHIBITED PRACTICES.--

A. A lender shall not engage in any practice whereby the lender communicates, through any means, in the form
of a direct, targeted solicitation to active borrowers to
inform them that they have additional credit available to them
or that otherwise has the purpose or effect of increasing the
amount of indebtedness of active borrowers owed to the lender
by encouraging them to increase the amount of their principal
debt obligation in an open loan product or by encouraging them
to take out a new loan or to roll over or refinance an existing
loan.

B. A lender shall not engage in any practice
whereby the lender communicates, through any means, in the form
of a direct, targeted solicitation to inactive borrowers for at
least sixty days after the inactive borrower's loan file
becomes inactive with the purpose, intent or effect of renewing
the inactive borrower's indebtedness to the lender by
encouraging the inactive borrower to take out a new loan or
otherwise extend or renew a dormant loan obligation.

C. Nontargeted communications or solicitations to a
general audience is permitted, but shall not contain quotes of
the cost of any loan product in any other amount than that
which is mandated by the federal Truth in Lending Act, and the
lender shall not advertise discounted or promotional rates
without also clearly and conspicuously disclosing any
limitations on the advertised discount or promotion."

SECTION 12. Section 58-15-21 NMSA 1978 (being Laws 1955,
Chapter 128, Section 19, as amended) is amended to read:

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"58-15-21. WHAT CONSTITUTES LOAN OF MONEY--WAGE PURCHASES.--The payment of two thousand five hundred dollars ($2,500) or less in money, credit, goods or things in action, as consideration for any sale or assignment of or order for the payment of wages, salary, commission or other compensation for services, whether earned or to be earned, shall, for the purposes of regulation under the New Mexico Small Loan Act of 1955, be deemed a loan of money secured by the sale, assignment or order. The amount by which compensation so sold, assigned or ordered paid exceeds the amount of consideration actually paid shall for the purpose of regulation under the New Mexico Small Loan Act of 1955 be deemed interest or charges upon the loan from the date of payment to the date the compensation is payable. The transaction shall be governed by and subject to the provisions of the New Mexico Small Loan Act of 1955."

SECTION 13. Section 58-15-24 NMSA 1978 (being Laws 1955, Chapter 128, Section 22, as amended) is amended to read:

"58-15-24. LOANS MADE ELSEWHERE.--No loan made outside this state to a resident of New Mexico in the amount or of the value of two thousand five hundred dollars ($2,500) or less for which a greater rate of interest, consideration, charge or compensation to the lender than is permitted by the general laws of New Mexico [presently in force governing money, interest and usury] has been charged, contracted for or
received shall be enforced in this state. Every person in any
way participating in such a loan in this state [shall be] is
subject to the provisions of the New Mexico Small Loan Act of
1955. Any loan made to a nonresident of New Mexico in
conformity with the law of the state where made may be enforced
in this state."

Chapter 86, Section 20) is amended to read:

"58-15-38. REQUIRED DISCLOSURES WHEN MAKING PAYDAY
LOANS--REQUIRED SIGNAGE.--

A. A licensee making payday loans shall provide a
notice immediately above the consumer's signature on each
payday loan agreement in at least twelve-point bold type using
the following language:

"(1) A payday loan is not intended to meet long-
term financial needs.

(2) You should use a payday loan only to meet
short-term cash needs.

(3) A payday loan is a high-cost loan. You should
consider what other lower-cost loans are available
to you.

(4) If you cannot fully repay a payday loan when
due, you have a right to enter into a payment plan
requiring payment within a minimum of one hundred
thirty days, in relatively equal installments, based
upon your scheduled pay periods. If you enter into
a payment plan, you will not have to pay an
additional administrative fee or interest on the
outstanding principal balance or any unpaid
administrative fees.

(5) If you have had payment obligations under a
payment plan pursuant to Section 58-15-35 NMSA 1978,
you may not enter into a new payday loan until at
least ten calendar days have passed since you have
completed all payment obligations pursuant to all of
your outstanding payday loan products, including
that payment plan."

B. Each licensee shall prominently display in each
licensed place of business, in a place where it will be readily
legible by consumers, a sign in at least sixty-point bold type
containing the following notice in both English and Spanish:

"If you cannot fully repay a payday loan when due,
you have a right to enter into a payment plan
requiring payment within a minimum of one hundred
thirty days, in relatively equal installments, based
upon your scheduled pay periods. If you enter into
a payment plan, you will not have to pay an
additional administrative fee or interest on the
outstanding principal balance or any unpaid
administrative fees."
SECTION 15. A new section of the New Mexico Small Loan Act of 1955 is enacted to read:

"[NEW MATERIAL] UNFAIR PRACTICE.--A violation of the New Mexico Small Loan Act of 1955 constitutes an unfair or deceptive trade practice pursuant to the Unfair Practices Act."

SECTION 16. REPEAL.--Section 58-15-19 NMSA 1978 (being Laws 1955, Chapter 128, Section 17) is repealed.

SECTION 17. APPLICABILITY.--The provisions of this act apply to loans entered on or after July 1, 2012.

SECTION 18. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2012.

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