HOUSE BILL 36

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Gail Chasey and William P. Soules

FOR THE COURTS, CORRECTIONS AND JUSTICE COMMITTEE

AN ACT


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. A new section of the New Mexico Bank Installment Loan Act of 1959 is enacted to read:

"[NEW MATERIAL] MAXIMUM INTEREST RATES--EXCEPTIONS.--

A. Except as provided for in this section, the
maximum lawful rate of interest charged or received for the
extension of credit shall not exceed thirty-six percent per
year.

B. The calculation of interest shall include any
periodic or nonperiodic interest, any periodic or nonperiodic
finance charge, any ancillary products or services and any
other charges or fees incident to the extension of credit.

C. Any contract for the extension of credit entered
into after January 1, 2015 having a rate of interest in excess
of the maximum lawful rate shall be void as to principal and
interest.

D. The limitation on interest for the extension of
credit shall not apply to any federally insured depository
institution or government-issued bonds.

E. In the event the United States prime lending
rate exceeds ten percent, the maximum lawful rate of interest
charged or received may exceed thirty-six percent per year but
shall not exceed thirty percentage points in excess of the
United States prime lending rate."

SECTION 3. A new section of the New Mexico Small Loan Act
of 1955 is enacted to read:

"[NEW MATERIAL] MAXIMUM INTEREST RATES--EXCEPTIONS.--

A. Except as provided for in this section, the
maximum lawful rate of interest charged or received for the
extension of credit shall not exceed thirty-six percent per
year.

B. The calculation of interest shall include any periodic or nonperiodic interest, any periodic or nonperiodic finance charge, any ancillary products or services and any other charges or fees incident to the extension of credit.

C. Any contract for the extension of credit entered into after January 1, 2015 having a rate of interest in excess of the maximum lawful rate shall be void as to principal and interest.

D. The limitation on interest for the extension of credit shall not apply to any federally insured depository institution or government-issued bonds.

E. In the event the United States prime lending rate exceeds ten percent, the maximum lawful rate of interest charged or received may exceed thirty-six percent per year but shall not exceed thirty percentage points in excess of the United States prime lending rate."

SECTION 4. REPEAL.--Section 58-15-33 NMSA 1978 (being Laws 2007, Chapter 86, Section 15) is repealed.

SECTION 5. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2015.