

1 HOUSE BILL 132

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

3 INTRODUCED BY

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5 Phelps Anderson and Daymon Ely
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10 AN ACT

11 RELATING TO FINANCIAL INSTITUTIONS; CHANGING THE PERMITTED
12 PERCENTAGE RATES FOR LOANS PURSUANT TO THE NEW MEXICO BANK
13 INSTALLMENT LOAN ACT OF 1959 AND THE NEW MEXICO SMALL LOAN ACT
14 OF 1955; REQUIRING A LICENSE FOR CERTAIN LENDERS; CHANGING
15 CERTAIN REPORTING REQUIREMENTS; REQUIRING NOTICE; MAKING AN
16 APPROPRIATION.

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 SECTION 1. Section 58-7-3 NMSA 1978 (being Laws 1995,
20 Chapter 190, Section 15, as amended) is amended to read:

21 "58-7-3. LOANS COVERED BY ACT.--

22 A. The New Mexico Bank Installment Loan Act of 1959
23 applies to a loan that is a precomputed loan repayable in
24 installments and that is clearly identified on the loan
25 documents as being made under that act.

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1 B. A loan in an amount equal to [~~five thousand~~
2 ~~dollars (\$5,000)~~] ten thousand dollars (\$10,000) or less shall
3 be made only pursuant to the New Mexico Bank Installment Loan
4 Act of 1959 or the New Mexico Small Loan Act of 1955. A loan
5 made pursuant to the New Mexico Bank Installment Loan Act of
6 1959 shall be identified in the loan documents as being made
7 pursuant to that act.

8 C. The provisions of Subsection B of this section
9 shall not apply to a federally insured depository institution."

10 SECTION 2. Section 58-7-6 NMSA 1978 (being Laws 1959,
11 Chapter 327, Section 6, as amended) is amended to read:

12 "58-7-6. PERMITTED CHARGES--LIMITATION ON PRESENTMENT.--

13 A. No amount, other than the total finance charge,
14 calculated pursuant to Subsections D, E and F of Section 58-7-7
15 NMSA 1978, which consists solely of interest and a fully earned
16 processing fee not to exceed the lesser of two hundred dollars
17 (\$200) or ten percent of the principal, shall be charged or
18 contracted for, directly or indirectly, on or in connection
19 with a precomputed loan transaction except as follows:

20 (1) delinquency charges not to exceed five
21 cents (\$.05) for each one dollar (\$1.00) of each installment
22 more than ten days in arrears may be charged; provided that the
23 total of delinquency charges on any such installment shall not
24 exceed ten dollars (\$10.00) and that only one delinquency
25 charge shall be made on any one installment regardless of the

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1 period during which the installment remains unpaid;

2 (2) the lender may charge for only the actual
3 cost of any insurance; provided, however, all insurance shall
4 be written by companies licensed to operate within the state
5 and at rates no higher than those approved by the
6 superintendent of insurance; and provided further that the
7 lender shall not require any insurance to be written or
8 provided by or through any particular agent, broker or insurer
9 as a condition to making the loan but shall, at the borrower's
10 option, permit the insurance to be procured from any reputable
11 insurer or through any reputable agent authorized by law to
12 provide it;

13 (3) in the event that a borrower fails to
14 maintain in effect any insurance required in connection with a
15 loan transaction, the lender may purchase the required
16 insurance or lender's single interest insurance covering the
17 lender's interest in the property, and the cost of that
18 insurance shall be added to the loan and may accrue interest as
19 provided for in the New Mexico Bank Installment Loan Act of
20 1959;

21 (4) such amounts as are necessary to reimburse
22 the lender for fees paid to a public officer for filing,
23 recording or releasing any instrument or lien;

24 (5) if a loan under the New Mexico Bank
25 Installment Loan Act of 1959 is secured and if the borrower

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1 fails to pay any governmental or other levy arising after the
2 date of the loan that would create a lien superior to the lien
3 of the lender on the property standing as security, the lender,
4 at the lender's option, may pay the levy and add the amount so
5 paid to the balance due from the borrower;

6 (6) the actual expenditures, including
7 reasonable attorney fees, for legal process or proceedings to
8 collect on a precomputed loan; provided, however, that no
9 attorney fees are permitted where the loan is referred for
10 collection to an attorney who is a salaried employee of the
11 holder of the contract; and further provided that attorney fees
12 shall not be charged or collected unless the note or other
13 contract has been submitted in good faith to an attorney for
14 collection after the lender has made a diligent and good faith
15 effort to collect and has failed; and

16 (7) the actual cost of charges incurred in
17 making a real estate loan secured by a mortgage on real estate,
18 including the charges for an abstract of title, title
19 examination, title insurance premiums, property survey,
20 appraisal fees, notary fees, preparation of deeds, mortgages or
21 other documents, escrow charges, credit reports and filing and
22 recording fees.

23 B. If there are insufficient funds to pay a check
24 or other type of debit on the date of presentment by the
25 lender, a check or debit authorization request shall not be

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1 presented to a financial institution by a lender for payment
2 more than one time per payment due unless the consumer agrees
3 in writing, after a check or other type of debit has been
4 dishonored, to one additional presentment or deposit.

5 C. The charges permitted under this section may be
6 added to the balance due from the borrower."

7 **SECTION 3.** Section 58-7-7 NMSA 1978 (being Laws 1959,
8 Chapter 327, Section 8, as amended) is amended to read:

9 "58-7-7. RESTRICTIONS.--

10 A. No lender shall make a loan pursuant to the New
11 Mexico Bank Installment Loan Act of 1959 to a borrower who is
12 also indebted to that lender pursuant to the New Mexico Small
13 Loan Act of 1955 unless the loan made pursuant to the New
14 Mexico Small Loan Act of 1955 is paid and released at the time
15 the loan is made.

16 B. No lender other than a federally insured
17 depository institution shall make a loan pursuant to the New
18 Mexico Bank Installment Loan Act of 1959 if a loan has an
19 initial stated maturity of less than one hundred twenty days.

20 C. No lender other than a federally insured
21 depository institution shall make a loan pursuant to the New
22 Mexico Bank Installment Loan Act of 1959 unless the loan is
23 repayable in a minimum of four substantially equal installment
24 payments of principal and interest.

25 D. No lender, other than a federally insured

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1 depository institution, shall make a loan pursuant to the New
2 Mexico Bank Installment Loan Act of 1959 that has ~~[an]~~ a
3 permitted annual percentage rate greater than ~~[one hundred~~
4 ~~seventy-five percent, calculated pursuant to 12 CFR Part 1026,~~
5 ~~known as "Regulation Z"]~~ thirty-six percent, calculated
6 pursuant to 12 CFR Part 1026, known as "Regulation Z", this
7 subsection and Subsections E and F of this section; provided
8 that the calculation of the permitted annual percentage rate
9 shall:

10 (1) include finance charges as defined in 12
11 CFR Part 1026, known as "Regulation Z", charges for any
12 ancillary product or service sold or any fee charged in
13 connection or concurrent with the extension of credit, any
14 credit insurance premium or fee and any charge for single
15 premium credit insurance or any other fee related to insurance;

16 (2) include any charge as provided in
17 Paragraph (1) of this subsection even if that charge would be
18 excluded from the calculation of finance charges pursuant to
19 Regulation Z;

20 (3) not include any amount paid to a public
21 official in relation to the extension of credit, including fees
22 to record liens; and

23 (4) follow the rules established for
24 calculating the disclosed annual percentage rate for credit
25 transactions pursuant to Regulation Z based on the charges set

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1 forth in Paragraph (1) of this subsection.

2 E. Nothing in Subsection D of this section shall
3 permit the imposition of fees, interest or charges of any kind
4 not otherwise permitted by the New Mexico Bank Installment Loan
5 Act of 1959.

6 F. If the prime rate of interest exceeds ten
7 percent for three consecutive months, then during the month
8 following the third consecutive month in which prime exceeded
9 ten percent, the maximum allowable permitted annual percentage
10 rate set forth in this section shall increase to thirty-six
11 percent plus each percentage point or fraction of a percentage
12 point by which the prime rate of interest exceeded ten percent
13 in the most recent month. When the prime rate of interest
14 falls below ten percent for three consecutive months, the
15 maximum allowable permitted annual percentage rate shall return
16 to thirty-six percent.

17 G. The director of the financial institutions
18 division of the regulation and licensing department shall post
19 a notice on the division's website within ten days after the
20 provisions of Subsection F of this section become applicable.
21 The notice shall state the date on which any increase or
22 decrease in the maximum allowable permitted annual percentage
23 rate is effective.

24 H. The maximum allowable permitted annual
25 percentage rate for a loan to a consumer shall be determined as

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1 of the date that the loan is made.

2 [~~F-~~] I. The provisions of Subsections B and C of
3 this section shall not apply to refund anticipation loans. As
4 used in this subsection, "refund anticipation loan" means a
5 loan that is secured by or that the creditor arranges or
6 expects to be repaid, directly or indirectly, from the proceeds
7 of the consumer's federal or state personal income tax refunds
8 or tax credits, including any sale, assignment or purchase of a
9 tax refund or tax credit at a discount or for a fee.

10 [~~F-~~] J. Except as provided by Section 58-7-3.2 NMSA
11 1978, any rollover, renewal, refinance or modification of an
12 existing loan agreement with a lender, except a modification
13 without any additional cost to the consumer, shall constitute a
14 new loan and shall require new disclosures pursuant to the
15 federal Truth in Lending Act.

16 K. All loans made pursuant to this section shall
17 comply with the following:

- 18 (1) a loan shall not:
- 19 (a) be made for a term of greater than
20 twenty-four months, not including any refinancing term;
 - 21 (b) accrue late fees, non-sufficient
22 funds bank fees, origination fees, prepayment penalties or
23 charges for any ancillary product;
 - 24 (c) accrue interest after ninety days of
25 nonpayment;

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1 (d) be recoverable through wage
2 garnishment or assignment; or

3 (e) be eligible for refinance of the
4 loan by the lender, unless the borrower is not in default on
5 the current loan and has made at least thirty percent of the
6 payments and paid at least thirty percent of the principal;

7 (2) a loan shall be subject to underwriting
8 and shall be reported on to at least one consumer credit
9 reporting agency; and

10 (3) a lender shall provide a clear disclosure
11 that complies with the federal Truth in Lending Act, including
12 an amortization schedule."

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

15 "58-7-9. CONSTRUCTION--DEFINITIONS.--

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

19 B. None of the provisions of the New Mexico Bank
20 Installment Loan Act of 1959 apply to the assignment or
21 purchase of retail installment contracts originated under the
22 provisions of Sections 58-19-1 through 58-19-14 NMSA 1978 or
23 originated under the provisions of Sections 56-1-1 through
24 56-1-15 NMSA 1978.

25 C. In the event of a conflict between a requirement

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1 of the New Mexico Bank Installment Loan Act of 1959 and a
2 requirement of the Home Loan Protection Act, the requirement of
3 the Home Loan Protection Act shall control.

4 D. As used in the New Mexico Bank Installment Loan
5 Act of 1959:

6 (1) "consumer" means a person who resides in
7 New Mexico or who enters into a loan agreement [~~subject to the~~]
8 in New Mexico [~~Bank Installment Loan Act of 1959~~];

9 (2) "consumer reporting agency" means any
10 person that, for monetary fees or dues or on a cooperative
11 nonprofit basis, regularly engages in the practice of
12 assembling or evaluating, and maintaining, for the purpose of
13 furnishing consumer reports to third parties bearing on a
14 consumer's creditworthiness, credit standing or credit
15 capacity, each of the following regarding consumers:

16 (a) public record information; or

17 (b) credit account information from
18 persons who furnish that information regularly and in the
19 ordinary course of business;

20 (3) "debit authorization" means an
21 authorization signed by a consumer to electronically transfer
22 or withdraw funds from the consumer's account for the specific
23 purpose of repaying a loan;

24 [~~(3)~~] (4) "make a loan" means to originate a
25 new loan agreement or to make any change to the terms of an

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1 existing loan agreement, including the principal amount
2 financed, the annual percentage rate, finance charge, fees or
3 payment schedule;

4 ~~[(4)]~~ (5) "month" means one-twelfth of a year;
5 ~~[(5)]~~ (6) "person" includes an individual,
6 copartner, association, trust, corporation and any other legal
7 entity;

8 (7) "prime rate of interest" means the bank
9 prime loan rate published by the board of governors of the
10 federal reserve system on the last business day of the
11 preceding month; and

12 ~~[(6)]~~ (8) "year" means three hundred
13 sixty-five days.

14 E. The director of the financial institutions
15 division of the regulation and licensing department shall issue
16 and file as required by law interpretive regulations to
17 effectuate the purposes of the New Mexico Bank Installment Loan
18 Act of 1959. In issuing, amending or repealing interpretive
19 regulations, the director shall issue the regulation amendment
20 or repeal of the regulation as a proposed regulation amendment
21 or repeal of a regulation and file it for public inspection in
22 the office of the director of the financial institutions
23 division. Distribution thereof shall be made to interested
24 persons, and their comments shall be invited. After the
25 proposed regulation has been on file for not less than two

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1 months, the director may issue it as a final regulation by
2 filing as required by law. Any person who is or may be
3 adversely affected by the adoption, amendment or repeal of a
4 regulation under this section may file an appeal of that action
5 in the district court in Santa Fe county within thirty days
6 after the filing of the adopted regulation, amendment or repeal
7 as required by law.

8 F. Any person complying with the regulations
9 adopted by the director of the financial institutions division
10 of the regulation and licensing department is deemed to have
11 complied with the provisions of the New Mexico Bank Installment
12 Loan Act of 1959."

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

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

20 A. "consumer" means a person who resides in New
21 Mexico or who enters into a loan agreement in New Mexico;

22 B. "consumer reporting agency" means any person
23 that, for monetary fees or dues or on a cooperative nonprofit
24 basis, regularly engages in the practice of assembling or
25 evaluating, and maintaining, for the purpose of furnishing

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1 consumer reports to third parties bearing on a consumer's
2 creditworthiness, credit standing or credit capacity, each of
3 the following regarding consumers:

4 (1) public record information; or

5 (2) credit account information from persons
6 who furnish that information regularly and in the ordinary
7 course of business;

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

12 D. "division" means the financial institutions
13 division of the regulation and licensing department;

14 E. "director" means the director of the division;

15 F. "installment loan" means a loan ~~[in an amount~~
16 ~~less than or equal to five thousand dollars (\$5,000) that is to~~
17 ~~be repaid in a minimum of four substantially equal payments of~~
18 ~~principal and interest to pay off a loan in its entirety with~~
19 ~~an initial stated maturity of not less than one hundred twenty~~
20 ~~days to maturity. "Installment loan" does not mean a refund~~
21 ~~anticipation loan] that is not a refund anticipation loan and~~
22 is in an amount less than or equal to ten thousand dollars
23 (\$10,000) that is to be repaid:

24 (1) in a minimum of four substantially equal
25 payments of principal and interest to pay off a loan in its

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1 entirety with an initial stated maturity of not less than one
2 hundred twenty days to maturity; or

3 (2) in any number of payments and with any
4 initial stated days to maturity that bears no finance charge as
5 disclosed pursuant to 12 CFR Part 1026, known as "Regulation
6 Z", and with respect to which no other fees or charges of any
7 kind are imposed at any time;

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

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

25 I. "make a loan" means to originate a new loan

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1 agreement or to make any change to the terms of an existing
2 loan agreement, including the principal amount financed, the
3 annual percentage rate, finance charge, fees or payment
4 schedule;

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

7 K. "prime rate of interest" means the bank prime
8 loan rate published by the board of governors of the federal
9 reserve system on the last business day of the preceding month;

10 [~~K.~~] L. "refund anticipation loan" means a loan
11 that is secured by or that the creditor arranges or expects to
12 be repaid, directly or indirectly, from the proceeds of the
13 consumer's federal or state personal income tax refunds or tax
14 credits, including any sale, assignment or purchase of a tax
15 refund or tax credit at a discount or for a fee; and

16 [~~L.~~] M. "simple interest" means a method of
17 calculating interest in which the amount of interest is
18 calculated based on the annual percentage rate disclosed in the
19 loan agreement and is computed only on the outstanding
20 principal balance of the loan."

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

23 "58-15-3. APPLICABILITY OF ACT--EXEMPTIONS--EVASIONS--
24 PENALTY.--

25 A. A person shall not engage in the business of

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1 lending in amounts of [~~five thousand dollars (\$5,000)~~] ten
2 thousand dollars (\$10,000) or less for a loan without first
3 having obtained a license from the director. Nothing contained
4 in this subsection shall restrict or prohibit a licensee under
5 the New Mexico Small Loan Act of 1955 from making loans in any
6 amount under the New Mexico Bank Installment Loan Act of 1959
7 in accordance with the provisions of Section 58-7-2 NMSA 1978.

8 B. Nothing in the New Mexico Small Loan Act of 1955
9 shall apply to a person making individual advances of [~~five~~
10 ~~thousand dollars (\$5,000)~~] ten thousand dollars (\$10,000) or
11 less under a written agreement providing for a total loan or
12 line of credit in excess of [~~five thousand dollars (\$5,000)~~]
13 ten thousand dollars (\$10,000).

14 C. A banking corporation, savings and loan
15 association or credit union operating under the laws of the
16 United States or of a state shall be exempt from the licensing
17 requirements of the New Mexico Small Loan Act of 1955, nor
18 shall that act apply to business transacted by any person under
19 the authority of and as permitted by any such law nor to any
20 bona fide pawnbroking business transacted under a pawnbroker's
21 license nor to bona fide commercial loans made to dealers upon
22 personal property held for resale. Nothing contained in the
23 New Mexico Small Loan Act of 1955 shall be construed as
24 abridging the rights of any of those exempted from the
25 operations of that act from contracting for or receiving

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1 interest or charges not in violation of an existing applicable
2 statute of this state.

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

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

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

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

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

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

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

25 (e) making loans disguised as a personal

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1 property sale and leaseback transaction;

2 (f) disguising loan proceeds as a cash
3 rebate for the pretextual installment sale of goods or
4 services; and

5 (g) making, offering, assisting or
6 arranging a debtor to obtain a loan with a greater rate or
7 interest, consideration or charge than is permitted by Chapter
8 58 NMSA 1978 through any method, including mail, telephone,
9 internet or any electronic means, regardless of whether the
10 person has a physical location in the state; and

11 (3) a person purporting to act as an agent,
12 service provider or in another capacity for another entity that
13 is exempt from the New Mexico Small Loan Act of 1955, if, among
14 other things:

15 (a) the person holds, acquires or
16 maintains, directly or indirectly, the predominant economic
17 interest in the loan;

18 (b) the person markets, brokers,
19 arranges or facilitates the loan and holds the right,
20 requirement or first right of refusal to purchase loans,
21 receivables or interests in the loans; or

22 (c) the totality of the circumstances
23 indicate that the person is the lender and the transaction is
24 structured to evade the requirements of the New Mexico Small
25 Loan Act of 1955. In deciding whether the totality of the

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1 circumstances indicate that the person is a lender and a
2 transaction is structured to evade the requirements of the New
3 Mexico Small Loan Act of 1955, all relevant factors may be
4 considered, including where the person: 1) indemnifies,
5 insures or protects an exempt entity for any costs or risks
6 related to the loan; 2) predominantly designs, controls or
7 operates the loan program; or 3) purports to act as an agent,
8 service provider or in another capacity for an exempt entity
9 while acting directly as a lender in other states.

10 E. A person, copartnership, trust or a trustee or
11 beneficiary thereof or an association or corporation or a
12 member, officer, director, agent or employee thereof who
13 violates or participates in the violation of a provision of
14 Subsection A of this section is guilty of a petty misdemeanor
15 and upon conviction shall be sentenced pursuant to the
16 provisions of Subsection B of Section 31-19-1 NMSA 1978. A
17 contract or loan in the making or collection of which an act is
18 done that violates Subsection A or D of this section or Section
19 58-15-17 or 58-15-20 NMSA 1978 is void and the lender has no
20 right to collect, receive or retain any principal, interest or
21 charges whatsoever.

22 F. A loan in an amount equal to [~~five thousand~~
23 ~~dollars (\$5,000)] ten thousand dollars (\$10,000) or less shall
24 be made only pursuant to the New Mexico Bank Installment Loan
25 Act of 1959 or the New Mexico Small Loan Act of 1955.~~

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1 G. A violation of a provision of the New Mexico
2 Small Loan Act of 1955 that constitutes either an unfair or
3 deceptive trade practice or an unconscionable trade practice
4 pursuant to Section 57-12-2 NMSA 1978 is actionable pursuant to
5 the Unfair Practices Act."

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

8 "58-15-9. EXAMINATION OF LICENSEE'S BOOKS AND RECORDS--
9 WITNESSES.--

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

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

24 C. For the purpose of discovering violations of the
25 New Mexico Small Loan Act of 1955 or of securing information

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1 lawfully required under that act, the director or the
2 director's authorized representative may at any time
3 investigate the business and examine the books, accounts,
4 papers and records used therein, including income tax returns
5 or other reports filed in the office of the director of the
6 revenue processing division of the taxation and revenue
7 department of:

8 (1) any licensee;

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

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

17 D. For the purposes of this section, a person who
18 advertises, solicits or makes any representation as being
19 willing to make loan transactions in any amount, except
20 persons, financial institutions or lending agencies operating
21 under charters or licenses issued by a state or federal agency
22 or under any special statute, shall be subject to investigation
23 under the New Mexico Small Loan Act of 1955 and shall be
24 presumed to be engaged in the business described in Subsection
25 A of Section 58-15-3 NMSA 1978 as to any loans of ~~[five~~

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1 ~~thousand dollars (\$5,000)]~~ ten thousand dollars (\$10,000) or
2 less.

3 E. To facilitate the examinations and
4 investigations by the director and fully disclose the
5 operations and methods of operation of each licensed office,
6 the licensee shall, in each licensed office, keep on file as
7 part of the records of the office all office manuals,
8 communications or directives containing statements of loan
9 policy to office managers and employees. If the licensee is an
10 individual, corporation, trust or association, the licensee
11 shall keep in at least one office for information of the
12 director a record of the several individuals, firms,
13 beneficiaries of any trust and corporations deriving or
14 receiving any part of the benefits, net income or profits from
15 the operation of the licensee within New Mexico.

16 F. For the purposes of this section, the director
17 or the director's authorized representative shall have and be
18 given free access to the offices and places of business, files,
19 safes and vaults of all licensees and shall have authority to
20 require the attendance of any person and to examine the person
21 under oath relative to such loans or business or to the subject
22 matter of any examination, investigation or hearing as provided
23 in the New Mexico Small Loan Act of 1955. Notices to appear
24 before the director for examination under oath may be served by
25 registered mail. If the party notified to appear is the

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1 licensee, any person named on the face of the license being
2 investigated or any agent, employee or manager participating in
3 the licensee's business and the party fails to appear for
4 examination or refuses to answer questions submitted, the
5 director may, forthwith and without further notice to the
6 licensee, suspend the license involved pending compliance with
7 the notice. Upon failure of any other person to appear or to
8 answer questions, the director may apply to and invoke the aid
9 of any district court of New Mexico in compelling the
10 attendance and testimony of any such person and the production
11 of books, records, written instruments and documents relating
12 to the business of the licensee. The district court whose aid
13 is so invoked by the director may, in case of contumacy or
14 refusal to obey any order of the district court issued to
15 compel the attendance of the person or the production of books,
16 records, written instruments and documents, punish the person
17 as for contempt of court.

18 G. The director shall prescribe rules of procedure
19 for all hearings, examinations or investigations provided for
20 in the New Mexico Small Loan Act of 1955. The director is not
21 bound by the usual common law or statutory rules of evidence or
22 by any technical or formal rules of procedure or pleading and
23 specification of charges other than as specifically provided in
24 the New Mexico Small Loan Act of 1955 but may conduct hearings,
25 examinations and investigations in the manner best calculated

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1 to ascertain the substantial rights of the parties interested.

2 H. The director has the power to administer oaths,
3 certify official acts and records of the director's office,
4 issue subpoenas for witnesses in the name of and under the seal
5 of the director's office and compel the production of papers,
6 books, accounts and documents. The director shall issue
7 subpoenas at the instance of any party to a hearing before the
8 division upon payment of a fee of two dollars fifty cents
9 (\$2.50) for each subpoena so issued.

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

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

23 K. Whenever the director has reasonable cause to
24 believe that a person is violating a provision of the New
25 Mexico Small Loan Act of 1955, the director may, in addition to

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1 all actions provided for in that act and without prejudice
2 thereto, enter an order requiring the person to desist or to
3 refrain from the violation. An action may be brought on the
4 relation of the attorney general and the director to enjoin the
5 person from engaging in or continuing the violation or from
6 doing any act in furtherance of the violation. In any such
7 action, an order or judgment may be entered awarding a
8 preliminary or final injunction as may be deemed proper. In
9 addition to all other means provided by law for the enforcement
10 of a temporary restraining order, temporary injunction or final
11 injunction, the court in which such action is brought shall
12 have power and jurisdiction to impound and to appoint a
13 receiver for the property and business of the defendants,
14 including books, papers, documents and records pertaining
15 thereto or so much thereof as the court may deem reasonably
16 necessary to prevent further violations of the New Mexico Small
17 Loan Act of 1955 through or by means of the use of the property
18 and business. The receiver, when appointed and qualified,
19 shall have powers and duties as to custody, collection,
20 administration, winding up and liquidation of the property and
21 business as are from time to time conferred upon the receiver
22 by the court."

23 SECTION 8. Section 58-15-10.1 NMSA 1978 (being Laws 2011,
24 Chapter 105, Section 1, as amended) is amended to read:

25 "58-15-10.1. LICENSEE REPORTING REQUIREMENTS--

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1 PENALTIES.--

2 A. Licensees shall file with the director each year
3 reports containing at least the following information for the
4 preceding calendar year ending December 31 in an aggregated,
5 nonidentifying consumer manner as specified below:

6 (1) a description of each loan product offered
7 by the licensee, including:

8 (a) whether the loan product was secured
9 or unsecured;

10 (b) whether the loan product was made
11 pursuant to the New Mexico Small Loan Act of 1955 or the New
12 Mexico Bank Installment Loan Act of 1959;

13 (c) the total dollar amount of principal
14 loaned for that product;

15 (d) the percentage of the total dollar
16 amount of all principal for that product that was repaid; and

17 (e) the total number of individual
18 borrowers who took out this type of loan product;

19 (2) the total number of loan transactions
20 entered into for each loan product in the following amounts:

21 (a) five hundred dollars (\$500) or less;

22 (b) five hundred one dollars (\$501) to
23 one thousand dollars (\$1,000);

24 (c) one thousand one dollars (\$1,001) to
25 three thousand dollars (\$3,000); ~~and~~

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1 (d) three thousand one dollars (\$3,001)
2 to five thousand dollars (\$5,000); and

3 (e) five thousand one dollars (\$5,001)
4 to ten thousand dollars (\$10,000);

5 (3) for each loan product, the number of loans
6 made and the total dollar amount of interest and fees charged
7 on the contracts for loans made within the following categories
8 of annual percentage rate calculated pursuant to 12 CFR Part
9 1026, known as "Regulation Z":

10 (a) less than or equal to [~~thirty-six~~]
11 ten percent;

12 (b) more than [~~thirty-six~~] ten percent
13 through [~~one hundred~~] eighteen percent;

14 (c) more than [~~one hundred~~] eighteen
15 percent through [~~one hundred fifty~~] thirty-six percent; and

16 (d) [~~more than one hundred fifty percent~~
17 ~~through one hundred seventy-five percent~~] more than thirty-six
18 percent if a permitted annual percentage rate is subject to an
19 elevated calculation pursuant to Subsection L of Section
20 58-15-17 NMSA 1978 or Subsection F of Section 58-7-7 NMSA 1978;

21 (4) for each loan product, the following
22 aggregate amounts of fees and interest:

23 (a) a list of each fee charged by the
24 lender and a description of each fee product or type, including
25 fees charged for loan origination and credit insurance;

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1 (b) the total dollar amount of each fee
2 product charged by the lender and paid by the borrower; and

3 (c) the total dollar amount of interest
4 charged by the lender and paid by the borrower;

5 (5) for each loan product:

6 (a) the number of loans for which the
7 original term of the loan was: 1) less than one hundred twenty
8 days; 2) between one hundred twenty days and three hundred
9 sixty-five days; 3) between three hundred sixty-five days and
10 seven hundred thirty-one days; 4) between seven hundred thirty-
11 one days and five years; and 5) longer than five years;

12 (b) for each item set forth in
13 Subparagraph (a) of this paragraph, the average actual
14 repayment time for the given loan product and loan term; and

15 (c) for each item set forth in
16 Subparagraph (a) of this paragraph, the number of loans for
17 which payments were due: 1) every two weeks; 2) every four
18 weeks; and 3) monthly;

19 (6) the number of borrowers who took out one
20 or two loans with the lender in the previous calendar year, and
21 the percentage of all borrowers who took out one or two loans
22 with the lender in the previous calendar year;

23 (7) the number of borrowers who took out three
24 or more loans with the lender in the previous calendar year,
25 and the percentage of all borrowers who took out three or more

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1 loans with the lender in the previous calendar year;

2 (8) for each loan product, the number of loans
3 that have been repaid in full without an extension, renewal,
4 refinance, rollover or new loan within thirty days of repaying
5 that loan, and for each loan product, the percentage of all
6 borrowers who have repaid their loans in full without an
7 extension, renewal, refinance, rollover or new loan within
8 thirty days of repaying that loan;

9 (9) for each loan product, the number of
10 borrowers who extended, renewed, refinanced or rolled over
11 their loans prior to or at the same time as paying their loan
12 balance in full, or took out a new loan within thirty days of
13 repaying that loan, and for each loan product, the percentage
14 of all borrowers who extended, renewed, refinanced or rolled
15 over their loans prior to or at the same time as paying the
16 loan balance in full, or took out a new loan within thirty days
17 of repaying that loan;

18 (10) for each loan product, the total number
19 of loans for which a late payment fee was charged and the
20 percentage of the total loans for which a late payment fee was
21 charged;

22 (11) for each loan product, the total number
23 of loans for which a late payment fee was charged more than
24 once over the term of the contract, and the percentage of the
25 total loans for which a late payment fee was charged more than

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1 once over the term of the contract;

2 (12) for each loan product, the number of
3 loans for which a borrower has defaulted on a loan, and for
4 each loan product, the percentage of total loans of that
5 product for which the borrower has defaulted on a loan;

6 (13) for each loan product, the dollar amount
7 of loan principal and accrued interest that was charged-off or
8 written-off, and the number of borrowers for which the lender
9 charged-off or wrote-off loan principal and accrued interest;

10 (14) the number of loans and percentage of all
11 borrowers the lender filed action against for default;

12 (15) the total number of loans secured by a
13 motor vehicle and the number of those loans for which the motor
14 vehicle was repossessed;

15 (16) the total number of loans secured by
16 non-motor vehicle personal property and the number of those
17 loans for which the non-motor vehicle personal property was
18 repossessed;

19 (17) the total number and percentage of
20 borrowers of all loan products whose sources of income, as
21 provided by borrowers in the loan origination process, included
22 a means-tested public benefit as defined by 8 U.S.C. Section
23 1613(c);

24 (18) the total number and percentage of
25 borrowers of all loan products who are aged sixty-five or

1 older;

2 (19) the total number of loans of all loan
3 products that were made to borrowers in each county in New
4 Mexico; and

5 (20) the percentage of all borrowers who took
6 out a refund anticipation loan who were eligible for a federal
7 earned income tax credit.

8 B. The reports required pursuant to Subsection A of
9 this section shall be submitted to the director on or before
10 the fifteenth day of April each year.

11 C. The reports required pursuant to Subsection A of
12 this section shall be accompanied by a sworn statement by the
13 licensee under penalty of perjury that the report is complete
14 and accurate.

15 D. A licensee that fails to timely submit complete
16 and accurate reports as required pursuant to Subsection A of
17 this section on or before the fifteenth day of April may:

18 (1) be fined an amount not to exceed one
19 thousand five hundred dollars (\$1,500) per day for each day
20 after the fifteenth day of April, a complete and accurate
21 report is not filed; and

22 (2) have a license required pursuant to the
23 New Mexico Small Loan Act of 1955 suspended pursuant to Section
24 58-15-8 NMSA 1978."

25 SECTION 9. Section 58-15-10.2 NMSA 1978 (being Laws 2017,
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1 Chapter 110, Section 21) is amended to read:

2 "58-15-10.2. REPORTING OF CREDIT REQUIRED.--

3 A. For each installment loan issued pursuant to
4 Paragraph (1) of Subsection F of Section 58-15-2 NMSA 1978 and
5 refund anticipation loan made pursuant to the New Mexico Small
6 Loan Act of 1955, a lender shall report to a consumer reporting
7 agency the terms of the loan and the borrower's performance
8 pursuant to those terms.

9 B. For each installment loan issued pursuant to
10 Paragraph (2) of Subsection F of Section 58-15-2 NMSA 1978, a
11 lender may report to a consumer reporting agency the terms of
12 the loan and the borrower's performance pursuant to those
13 terms.

14 C. Any lender making a report to a consumer
15 reporting agency pursuant to this section shall report both
16 positive and negative performance by the borrower."

17 SECTION 10. Section 58-15-12 NMSA 1978 (being Laws 1955,
18 Chapter 128, Section 12, as amended) is amended to read:

19 "58-15-12. ADVERTISING.--A licensee or other person
20 subject to the New Mexico Small Loan Act of 1955 shall not
21 advertise, display, distribute or broadcast or cause or permit
22 to be advertised, displayed, distributed or broadcast in any
23 manner whatsoever a false, misleading or deceptive statement or
24 representation with regard to the charges, terms or conditions
25 for loans in the amount or of the value of [~~five thousand~~

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1 ~~dollars (\$5,000)]~~ ten thousand dollars (\$10,000) or less. The
2 director may require that charges or rates of charge, if stated
3 by a licensee, be stated fully and clearly in such manner as
4 the director deems necessary to prevent misunderstanding by
5 prospective borrowers. The director may permit or require
6 licensees to refer in their advertising to the fact that their
7 business is under state supervision, subject to conditions
8 imposed by the director to prevent erroneous impressions as to
9 the scope or degree of protection provided by the New Mexico
10 Small Loan Act of 1955."

11 SECTION 11. Section 58-15-17 NMSA 1978 (being Laws 1955,
12 Chapter 128, Section 15, as amended) is amended to read:

13 "58-15-17. REQUIREMENTS FOR MAKING AND PAYING OF
14 LOANS--INCOMPLETE INSTRUMENTS--LIMITATIONS ON CHARGES AFTER
15 JUDGMENT AND INTEREST.--

16 A. Every licensee shall:

17 (1) at the time a consumer becomes
18 contractually obligated on a loan pursuant to the New Mexico
19 Small Loan Act of 1955, deliver to the borrower or, if there
20 are two or more borrowers on the same obligation, to one of
21 them, a statement on which shall be printed a copy of Section
22 58-15-14.1 NMSA 1978 and which shall disclose in clear and
23 distinct terms:

24 (a) the amount of the loan;

25 (b) the date the loan was made;

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1 (c) a schedule or a description of the
2 payments;

3 (d) the type of the security, if any,
4 for the loan;

5 (e) the name and address of the
6 licensee;

7 (f) the name of the person primarily
8 obligated for the loan;

9 (g) the amount of principal;

10 (h) the annual percentage rate as
11 disclosed pursuant to 12 CFR Part 1026, known as "Regulation
12 Z", and the amount in dollars and cents;

13 (i) all other disclosures required
14 pursuant to state and federal law; and

15 (j) the charge for any other item
16 allowable and included pursuant to the New Mexico Small Loan
17 Act of 1955, so stated as to clearly show the allocation of
18 each item included;

19 (2) for each payment made on account of a
20 loan, give to the person making the payment a plain and
21 complete receipt specifying the date and amount of the payment,
22 the amount applied to interest and principal and the balance
23 unpaid. When payment is made in any other manner than by the
24 borrower in person, by an agent of the borrower or by check or
25 money order, the licensee shall mail the receipt to the

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1 borrower's last known address or retain and deliver the receipt
2 upon request of the borrower. A licensee may deliver the
3 receipt electronically to the borrower via text message or
4 email, if requested to do so in writing by the borrower. A
5 borrower may withdraw authorization for electronic delivery of
6 receipts in writing at any time. A licensee shall not require
7 a borrower to receive receipts electronically. The licensee
8 shall maintain a copy of each receipt in the office of the
9 licensee as a part of the licensee's records; and

10 (3) upon repayment of the loan in full, mark
11 plainly every note and promise to pay signed by any borrower
12 with the word "paid" or "canceled" and promptly file or record
13 a release of any mortgage if the mortgage has been recorded,
14 restore any pledge and cancel and return any note and any
15 assignment given to the licensee. A licensee may mark and
16 return a copy of the note, promise to pay or any assignment if
17 the copy accurately reproduces the complete original.

18 B. A licensee shall not take a note or promise to
19 pay that does not disclose the amount of the loan, a schedule
20 of payments, or a description thereof, and the agreed charge or
21 rate of charge or any instrument in which blanks are left to be
22 filled in after execution.

23 C. A judgment against a party on a loan made
24 pursuant to the New Mexico Small Loan Act of 1955 shall not
25 include, and the loan shall not include, from the date of the

1 judgment, charges against a party to the loan other than costs,
2 attorney fees and post-judgment interest as provided by law.

3 D. A loan made pursuant to the New Mexico Small
4 Loan Act of 1955 that is filed and approved as a claim in any
5 bankruptcy proceeding shall bear interest at the rate of ten
6 percent per year beginning on the ninetieth day following the
7 date of adjudication. This limitation shall not apply when the
8 bankrupt is not discharged in bankruptcy or to any obligation
9 not dischargeable under the provisions of the United States
10 Bankruptcy Code presently in force.

11 E. A loan made pursuant to the provisions of the
12 New Mexico Small Loan Act of 1955 shall not bear interest in
13 excess of ten percent per year on the unpaid principal balance
14 of a loan after ninety days following the date of the death of
15 the borrower.

16 F. A loan made pursuant to the New Mexico Small
17 Loan Act of 1955 shall not bear interest in excess of ten
18 percent per year upon the unpaid principal balance of the loan
19 after twelve months following the date of maturity of the loan.

20 G. A lender shall not make a loan pursuant to the
21 New Mexico Small Loan Act of 1955 if a loan has an initial
22 stated maturity of less than one hundred twenty days unless the
23 loan is a refund anticipation loan.

24 H. A lender shall not make a loan pursuant to the
25 New Mexico Small Loan Act of 1955 unless the loan is an

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1 installment loan or a refund anticipation loan.

2 I. A lender shall not make a loan pursuant to the
3 New Mexico Small Loan Act of 1955, other than a refund
4 anticipation loan, unless the loan is repayable in a minimum of
5 four substantially equal installment payments of principal and
6 interest.

7 J. A lender shall not make a loan pursuant to the
8 New Mexico Small Loan Act of 1955 that has ~~[an]~~ a permitted
9 annual percentage rate greater than ~~[one hundred seventy-five~~
10 percent, calculated pursuant to 12 CFR Part 1026, known as
11 "Regulation Z"] thirty-six percent, calculated pursuant to 12
12 CFR Part 1026, known as "Regulation Z", this subsection and
13 Subsections K and L of this section; provided that the
14 calculation of the permitted annual percentage rate shall:

15 (1) include finance charges as defined in 12
16 CFR Part 1026, known as "Regulation Z", charges for any
17 ancillary product or service sold or any fee charged in
18 connection or concurrent with the extension of credit, any
19 credit insurance premium or fee and any charge for single
20 premium credit insurance or any other fee related to insurance;

21 (2) include any charge as provided in
22 Paragraph (1) of this subsection even if that charge would be
23 excluded from the calculation of finance charges pursuant to
24 Regulation Z;

25 (3) not include any amount paid to a public

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1 official in relation to the extension of credit, including fees
2 to record liens; and

3 (4) follow the rules established for
4 calculating the disclosed annual percentage rate for credit
5 transactions pursuant to Regulation Z based on the charges set
6 forth in Paragraph (1) of this subsection.

7 K. Nothing in Subsection J of this section shall
8 permit the imposition of fees, interest or charges of any kind
9 not otherwise permitted by the New Mexico Small Loan Act of
10 1955.

11 L. If the prime rate of interest exceeds ten
12 percent for three consecutive months, then during the month
13 following the third consecutive month in which prime exceeded
14 ten percent, the maximum allowable permitted annual percentage
15 rate set forth in this section shall increase to thirty-six
16 percent plus each percentage point or fraction of a percentage
17 point by which the prime rate of interest exceeded ten percent
18 in the most recent month. When the prime rate of interest
19 falls below ten percent for three consecutive months, the
20 maximum allowable permitted annual percentage rate shall return
21 to thirty-six percent.

22 M. The director of the division shall post a notice
23 on the division's website within ten days after the provisions
24 of Subsection L of this section become applicable. The notice
25 shall state the date on which any increase or decrease in the

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1 maximum allowable permitted annual percentage rate is
2 effective.

3 N. The maximum allowable permitted annual
4 percentage rate for a loan to a consumer shall be determined as
5 of the date that the loan is made.

6 ~~[K.]~~ O. Upon request from the borrower, all lenders
7 licensed pursuant to the New Mexico Small Loan Act of 1955
8 shall give or forward to the borrower copies of all loan
9 agreements concerning that borrower, a copy of all receipts
10 maintained in that borrower's loan file and a written statement
11 of that borrower's loan history, including all fees charged,
12 amortization schedules, that borrower's payment history,
13 including the dates and amounts of payments made, and the total
14 amount unpaid pursuant to each contract. All lenders shall
15 retain for seven years from the date of loan file origination
16 or loan payoff, whichever is the later, the documentation
17 specified in this subsection.

18 ~~[L.]~~ P. Any rollover, renewal, refinance or
19 modification of an existing loan agreement with a licensee,
20 except a modification without any additional cost to the
21 borrower, shall constitute a new loan and shall require new
22 disclosures pursuant to the federal Truth in Lending Act.

23 Q. All loans made pursuant to this section shall
24 comply with the following:

25 (1) a loan shall not:

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1 (a) be made for a term of greater than
2 twenty-four months, not including any refinancing term;

3 (b) accrue late fees, non-sufficient
4 funds bank fees, origination fees, prepayment penalties or
5 charges for any ancillary product;

6 (c) accrue interest after ninety days of
7 nonpayment;

8 (d) be recoverable through wage
9 garnishment or assignment; or

10 (e) be eligible for refinance of the
11 loan by the licensee, unless the consumer is not in default on
12 the current loan and has made at least thirty percent of the
13 payments and paid at least thirty percent of the principal;

14 (2) a loan shall be subject to underwriting;
15 and

16 (3) a licensee shall provide a clear
17 disclosure that complies with the federal Truth in Lending Act,
18 including an amortization schedule."

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

21 "58-15-21. WHAT CONSTITUTES LOAN OF MONEY--WAGE
22 PURCHASES.--The payment of [~~five thousand dollars (\$5,000)] ten
23 thousand dollars (\$10,000) or less in money, credit, goods or
24 things in action, as consideration for any sale or assignment
25 of or order for the payment of wages, salary, commission or~~

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1 other compensation for services, whether earned or to be
2 earned, shall, for the purposes of regulation under the New
3 Mexico Small Loan Act of 1955, be deemed a loan of money
4 secured by such sale, assignment or order. The amount by which
5 compensation so sold, assigned or ordered paid exceeds the
6 amount of consideration actually paid shall for the purpose of
7 regulation under the New Mexico Small Loan Act of 1955 be
8 deemed interest or charges upon the loan from the date of
9 payment to the date the compensation is payable. Such
10 transaction shall be governed by and subject to the provisions
11 of the New Mexico Small Loan Act of 1955."

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

14 "58-15-24. LOANS MADE ELSEWHERE.--No loan made outside
15 this state to a resident of New Mexico in the amount or of the
16 value of [~~five thousand dollars (\$5,000)~~] ten thousand dollars
17 (\$10,000) or less for which a greater rate of interest,
18 consideration, charge or compensation to the lender than is
19 permitted by the general laws of New Mexico in force governing
20 money, interest and usury has been charged, contracted for or
21 received shall be enforced in this state. Every person in any
22 way participating in such a loan in this state is subject to
23 the provisions of the New Mexico Small Loan Act of 1955. Any
24 loan made to a nonresident of New Mexico in conformity with the
25 law of the state where made may be enforced in this state."

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SECTION 14. APPROPRIATION.--One hundred eighty thousand dollars (\$180,000) is appropriated from the general fund to the public education department for expenditure in fiscal year 2023 to develop and provide financial literacy curriculum and training. Any unexpended or unencumbered balance remaining at the end of fiscal year 2023 shall revert to the general fund.

SECTION 15. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2022.