

LFC Requester:

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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 2/5/2026

Check all that apply:

Bill Number: HB313Original Correction Amendment Substitute Sponsor: Rep. Reena SzczepanskiShort Title: Civil Relief from Coerced Debt ActTitle: ActAgency Name
and Code

Number:

Person Writing

Phone: (505)476-4566Regulation & Licensing
Department (420)Mark Sadowski, Director-Financial Institutions
DivisionEmail Mark.Sadowski@rld.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$75	\$50	\$50	\$175	Recurring	Money Services Regulatory Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 313 (HB 313) enacts the Civil Relief from Coerced Debt Act, establishing procedures allowing individuals to seek relief from debts incurred through coercion, fraud, abuse, or exploitation. The bill requires creditors and debt collectors to suspend collection activities upon receipt of a compliant statement and documentation of coerced debt and imposes specific duties regarding notice, confidentiality, reporting, and litigation.

The bill requires the Financial Institutions Division (FID) of the Regulation and Licensing Department (RLD) to develop and publish a model statement of coerced debt form in English and Spanish within 180 days of the Act's effective date.

HB 313 does not specify an effective date, so the legislation would go into effect May 20, 2026, if enacted.

FISCAL IMPLICATIONS

HB 313 does not include a direct appropriation of funds to the RLD but there will be an additional operating budget impact on the RLD if the bill is enacted.

HB 313 imposes new administrative and regulatory responsibilities on the Financial Institutions Division of the RLD, including:

- Development and publication of standardized forms in multiple languages;
- Issuance of compliance guidance;
- Training of staff and licensees; and
- Increased complaint review and enforcement activity.

The bill imposes a time-bound mandate (180 days) that compresses implementation work for the FID.

These activities may result in initially modest administrative costs that could likely be absorbed within existing resources in the near term. However, over time, sustained increases in complaints or enforcement actions can be expected to require additional operational funding and potential need for additional staffing at the FID.

Major assumptions:

- Form development and guidance issuance could be handled by existing staff;
- No dedicated IT system upgrades are required initially; and
- Complaint volume increases remain moderate.

If complaint volumes substantially increase, additional funding may be required.

SIGNIFICANT ISSUES

HB 313 creates a new statutory framework governing coerced debt claims that supersedes conflicting provisions of existing debtor-creditor law.

Licensed collection agencies and debt buyers are explicitly included in the definition of “creditor,” subjecting them to new mandatory procedures and liabilities.

Failure to comply exposes regulated entities to statutory damages, class action liability, and potential regulatory sanctions.

HB 313 shifts the burden of proof to creditors in disputes involving coerced debt, increasing legal and compliance risks.

PERFORMANCE IMPLICATIONS

The FID of the RLD will be required to:

- Monitor compliance with new statutory duties;
- Address increased consumer inquiries;
- Respond to additional complaints; and
- Provide regulatory guidance.

These duties may affect examination schedules and enforcement priorities for multiple other financial industries regulated by the FID, including state-chartered banks and credit unions, money services, businesses, trust companies and other industries.

Performance metrics related to complaint resolution and licensee compliance for the numerous other financial industries regulated by the FID may be impacted.

ADMINISTRATIVE IMPLICATIONS

Administrative impacts include:

- Development and maintenance of bilingual forms;
- Updating agency websites and guidance materials;
- Training investigators and examiners;
- Revising internal complaint-handling procedures; and
- Coordinating with the New Mexico Department of Justice/Attorney General and judiciary.

The FID may be required to reallocate existing staff resources to administer these new responsibilities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 313 relates to:

- Collection Agency Act (61-18A-1 NMSA 1978);
- Fair Debt Collection Practices Act (federal); and
- Fair Credit Reporting Act (federal).

HB 313 would supersede inconsistent provisions of state law but generally complement existing consumer protection frameworks.

TECHNICAL ISSUES

HB 313 does not specify rulemaking authority being provided to the FID, but requires form development, which may necessitate administrative rulemaking or formal guidance.

HB 313 does not address funding for implementation.

Clarification may be needed regarding enforcement coordination between private litigation and regulatory actions.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS