AN ACT

RELATING TO COMMERCIAL TRANSACTIONS; ENACTING THE USURY ACT; PRESCRIBING A MAXIMUM RATE OF INTEREST FOR CERTAIN TRANSACTIONS; PROVIDING REMEDIES.

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

Section 1. SHORT TITLE.--This act may be cited as the "Usury Act".

Section 2. DEFINITIONS.--As used in the Usury Act:

A. "maximum lawful rate of interest" means an annual percentage rate of forty-five percent, plus a processing fee of not more than ten dollars ($10.00) that may be charged for processing an initial extension of credit. The processing fee shall not be charged for processing an extension of credit that refinances all or part of an initial extension of credit;

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B.   "to collect an extension of credit" means:

(1)   to induce a person to repay, in whole or in part, an extension of credit;

(2)   to seek repayment of an extension of credit, in whole or in part, from a person; or

(3)   to receive repayment of an extension of credit, in whole or in part, from a person; and

C.   "to make an extension of credit" means to make or renew a loan or to enter into any other express or implied transaction, when the repayment of the debt or claim, whether acknowledged, disputed, valid or invalid, may be deferred.

Section 3.   PROHIBITED PRACTICES--REMEDIES.--

A.   It is unlawful for a person to make an extension of credit at a rate of interest in excess of the maximum lawful rate of interest.

B.   It is unlawful for a person to collect an extension of credit at a rate of interest in excess of the maximum lawful rate of interest.

C.   A person who violates the provisions of Subsection A or B of this section shall forfeit the entire amount of money extended as credit and all interest on that amount.

D.   A person who violates the provisions of Subsection A or B of this section shall not bring an action in any court of this state to recover the money he extended as

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credit or any interest on that amount.

Section 4.   EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 1999.

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FORTY-FOURTH LEGISLATURE

FIRST SESSION, 1999

February 9, 1999

Mr. President:

Your **CORPORATIONS & TRANSPORTATION COMMITTEE**, to whom has been referred

SENATE BILL 328

has had it under consideration and reports same with recommendation that it **DO PASS**, and thence referred to the JUDICIARY COMMITTEE.

Respectfully submitted,

_____

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Roman M Maes, Chairman

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3 Adopted_____ Not

4 Adopted_____

5   (Chief Clerk)   (Chief Clerk)

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8   Date _____

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11 The roll call vote was _5_ For _3_ Against

12 Yes: 5

13 No: Fidel, Kidd, Kysar

14 Excused: Macias, Robinson

15 Absent: None

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18 S0328CT1

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FORTY-FOURTH LEGISLATURE

FIRST SESSION, 1999   SB 328/a

March 4, 1999

Mr. President:

Your **JUDICIARY COMMITTEE**, to whom has been referred

SENATE BILL 328

has had it under consideration and reports same with

recommendation that it **DO PASS**, amended as follows:

1.   On page 1, line 20, after "rate" insert ", as that term
is defined in the federal Truth in Lending Act,".

2.   On page 1, line 20, strike "plus a" and insert in lieu
thereof "not including an additional".

3.   On page 2, between lines 22 and 23, insert the
following:

"D.   Prior to extending credit on a vehicle, proof of
financial responsibility on the vehicle shall be provided to the
lender."

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    4.   Reletter the succeeding subsection accordingly.

                          Respectfully submitted,

_____

                          Michael S. Sanchez, Chairman

Adopted_____ Not

Adopted_____

         (Chief Clerk)   (Chief Clerk)

            Date _____

The roll call vote was _4_ For _3_ Against

Yes: 4

No: Davis, Payne, Stockard

Excused: Sanchez

Absent: None

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FORTY-FOURTH LEGISLATURE

FIRST SESSION

March 6, 1999

SENATE FLOOR AMENDMENT number _____ to SENATE BILL 328, as

amended

Amendment sponsored by Senator Cisco McSorley

1.   Strike Senate Judiciary Committee Amendment 2.

2.   On page 1, line 23, strike "charged" and insert in lieu

thereof "excluded from the annual percentage rate calculation".

underscored material = new
[bracketed material] = delete

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4   Cisco McSorley

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8 Adopted _____   Not Adopted

9 _____

10   (Chief Clerk)   (Chief Clerk)

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13   Date _____

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