

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 459

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO TRADE PRACTICES; ENACTING A NEW SECTION OF THE
UNFAIR PRACTICES ACT TO CLARIFY MISLEADING EXTENSION OF CREDIT.

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

Section 1. A new section of the Unfair Practices Act is
enacted to read:

"~~[NEW MATERIAL]~~ PRE-APPROVED LOAN CHECKS-- MISLEADING
EXTENSION OF CREDIT. --

A. Extending pre-approved credit by means of a pre-
approved loan check without clearly and conspicuously stating
in writing in a prominent location on the face of the pre-
approved loan check that such is an extension of credit and is
a loan that constitutes an extension of credit is an unfair and
deceptive trade practice. A pre-approved loan check that
clearly and conspicuously states the disclosures required

1 pursuant to the federal Truth in Lending Act, 15 U.S.C 1601,
2 and regulation Z, 12 C.F.R. 226.1, including full disclosure
3 and an explanation of interest due and the other terms for the
4 extension of credit, accompanying an extension of pre-approved
5 credit is not a misleading extension of credit.

6 B. As used in this section, a clear and conspicuous
7 disclosure includes printing the word "loan" in a prominent and
8 conspicuous manner as compared with other words, statements,
9 designs or graphic material in contrasting color letters on the
10 front of the pre-approved loan check. "