

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 3/13/19

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE Loan & Check Charges SB 550

ANALYST Glenn

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 22, HB 150, HB 375, HB 386, SB 550

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation & Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 550 amends the New Mexico Bank Installment Loan Act (BILA) by:

- increasing the delinquent fee limitation placed on lenders from five cents for each one dollar of each installment to five percent of the scheduled installment payment for each installment more than 10 days in arrears; and
- authorizing lenders to charge consumers a fee not to exceed \$35.00 if a check or other type of debit is returned for insufficient funds.

The effective date of SB 550 is July 1, 2019.

FISCAL IMPLICATIONS

None noted.

SIGNIFICANT ISSUES

BILA currently does not allow lenders to charge borrowers a fee for checks a bank returns due to insufficient funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

HB 22 Lower Small & Installment Loan APR

HB 150 Installment & Small Loan Changes

HB 375 Decrease Maximum APR for Small Loans

HB 386 Installment & Small Loan Maximum Interest

SB 550 Loan & Check Charges

Conflicts with:

HB 150 and SB 550, which also amend Section 58-7-6 NMSA 1978

BG/sb/gb