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HOUSE BILL 337

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO FINANCIAL INSTITUTIONS; AMENDING THE NEW MEXICO BANK INSTALLMENT LOAN ACT OF 1959 AND THE NEW MEXICO SMALL LOAN ACT OF 1955; ADDING AND AMENDING CERTAIN DEFINITIONS; REQUIRING CERTAIN CONSUMER LOANS TO BE MADE PURSUANT TO THE NEW MEXICO SMALL LOAN ACT OF 1955; SETTING A CAP ON FEES AND INTEREST; RESTRICTING CERTAIN LOANS AND LOAN PERIODS; REQUIRING A DATABASE AND REPORTING FOR CERTAIN LOANS; REPEALING A SECTION OF THE NEW MEXICO SMALL LOAN ACT OF 1955.

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

SECTION 1. Section 58-7-1 NMSA 1978 (being Laws 1959, Chapter 327, Section 1) is amended to read:

"58-7-1. SHORT TITLE.--~~[This act shall be known]~~ Chapter 58, Article 7 NMSA 1978 may be cited as the "New Mexico Bank Installment Loan Act of 1959"."

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1 SECTION 2. Section 58-7-3 NMSA 1978 (being Laws 1995,
2 Chapter 190, Section 15) is amended to read:

3 "58-7-3. LOANS COVERED BY ACT.--The New Mexico Bank
4 Installment Loan Act of 1959 applies to a loan that is a
5 precomputed loan repayable in installments [~~or that is clearly~~
6 ~~identified on the loan documents as being made under that~~
7 ~~act~~]."

8 SECTION 3. Section 58-7-9 NMSA 1978 (being Laws 1959,
9 Chapter 327, Section 10, as amended) is amended to read:

10 "58-7-9. CONSTRUCTION.--

11 A. None of the provisions of the New Mexico Small
12 Loan Act of 1955 are amended or repealed by the New Mexico Bank
13 Installment Loan Act of 1959.

14 B. With the exception of precomputed loan
15 transactions, a lender is not bound by the provisions of the
16 New Mexico Bank Installment Loan Act of 1959 in making loans
17 where the loan is made in accordance with the provisions of
18 Sections 56-8-9 through 56-8-14 NMSA 1978.

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

6 (1) "year" means three hundred sixty-five
7 days; and

8 (2) "month" means one-twelfth of a year.

9 F. The director of the financial institutions
10 division of the regulation and licensing department shall issue
11 and file as required by law interpretive regulations to
12 effectuate the purposes of the New Mexico Bank Installment Loan
13 Act of 1959. In issuing, amending or repealing interpretive
14 regulations, the director shall issue the regulation amendment
15 or repeal of the regulation as a proposed regulation amendment
16 or repeal of a regulation and file it for public inspection in
17 the office of the director of the financial institutions
18 division. Distribution thereof shall be made to interested
19 persons, and their comments shall be invited. After the
20 proposed regulation has been on file for not less than two
21 months, the director may issue it as a final regulation by
22 filing as required by law. Any person who is or may be
23 adversely affected by the adoption, amendment or repeal of a
24 regulation under this section may file an appeal of that action
25 in the district court in Santa Fe county within thirty days

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1 after the filing of the adopted regulation, amendment or repeal
2 as required by law.

3 G. Any person, corporation or association complying
4 with the regulations adopted by the director of the financial
5 institutions division of the regulation and licensing
6 department is deemed to have complied with the provisions of
7 the New Mexico Bank Installment Loan Act of 1959.

8 H. [~~All loans other than precomputed~~] A loan
9 [~~transactions~~] transaction made [~~under~~] pursuant to the New
10 Mexico Bank Installment Loan Act of 1959 shall be clearly
11 identified on the loan documents as being made [~~under~~] pursuant
12 to that act."

13 SECTION 4. 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 enters into a loan
21 agreement and receives the loan proceeds in New Mexico;

22 B. "consumer loan" means a loan to a consumer for
23 personal, family or household purposes, but "consumer loan"
24 does not include a loan secured by a lien on real property, a
25 loan for educational, commercial or business purposes of the

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1 consumer or a loan made pursuant to the Motor Vehicle Sales
2 Finance Act;

3 ~~[B-]~~ C. "debit authorization" means an
4 authorization signed by a consumer to electronically transfer
5 or withdraw funds from the consumer's account for the specific
6 purpose of repaying a loan;

7 ~~[G-]~~ D. "department" or "division" means the
8 financial institutions division of the regulation and licensing
9 department;

10 ~~[D-]~~ E. "director" means the director of the
11 division;

12 ~~[E-]~~ F. "installment loan" means a loan that is to
13 be repaid in a minimum of four successive substantially equal
14 payment amounts to pay off ~~[a]~~ that loan in its entirety with a
15 period of no less than one hundred twenty days to maturity.

16 "Installment loan" does not mean a loan in which a licensee
17 requires, as a condition of making the loan, the use of
18 postdated checks or debit authorizations for repayment of that
19 loan;

20 ~~[F-]~~ G. "license" means a permit issued under the
21 authority of the New Mexico Small Loan Act of 1955 to make
22 loans and collect charges therefor strictly in accordance with
23 the provisions of that act at a single place of business. It
24 shall constitute and shall be construed as a grant of a
25 revocable privilege only to be held and enjoyed subject to all

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1 the conditions, restrictions and limitations contained in the
2 New Mexico Small Loan Act of 1955 and lawful regulations
3 promulgated by the director and not otherwise;

4 ~~[G.]~~ H. "licensee" means a person to whom one or
5 more licenses have been issued pursuant to the New Mexico Small
6 Loan Act of 1955 upon the person's written application electing
7 to become a licensee and consenting to exercise the privilege
8 of a licensee solely in conformity with the New Mexico Small
9 Loan Act of 1955 and the lawful regulations promulgated by the
10 director under that act and whose name appears on the face of
11 the license;

12 ~~[H.]~~ I. "payday loan" means a loan in which the
13 licensee accepts a personal check or debit authorization
14 tendered by the consumer and agrees in writing to defer
15 presentment of that check or use of the debit authorization
16 until the consumer's next payday or another date agreed to by
17 the licensee and the consumer and:

18 (1) includes any advance of money or
19 arrangement or extension of credit whereby the licensee, for a
20 fee, finance charge or other consideration:

21 (a) accepts a dated personal check or
22 debit authorization from a consumer for the specific purpose of
23 repaying a payday loan;

24 (b) agrees to hold a dated personal
25 check or debit authorization from a consumer for a period of

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1 time prior to negotiating or depositing the personal check or
2 debit authorization; or

3 (c) pays to the consumer, credits to the
4 consumer's account or pays another person on behalf of the
5 consumer the amount of an instrument actually paid or to be
6 paid pursuant to the New Mexico Small Loan Act of 1955; but

7 (2) does not include:

8 (a) an overdraft product or service
9 offered by a banking corporation, savings and loan association
10 or credit union; and

11 (b) installment loans;

12 [~~F.~~] J. "payday loan product" means a payday loan
13 or a payment plan pursuant to Section 58-15-35 NMSA 1978;

14 [~~J.~~] K. "person" includes an individual, copartner,
15 association, trust, corporation and any other legal entity;

16 [~~K.~~] L. "renewed payday loan" means a loan in which
17 a consumer pays in cash the administrative fee payable under a
18 payday loan agreement and refinances all or part of the unpaid
19 principal balance of an existing payday loan with a new payday
20 loan from the same licensee. A "renewed payday loan" includes
21 a transaction in which a consumer pays off all or part of an
22 existing payday loan with the proceeds of a payday loan from
23 the same licensee; and

24 [~~L.~~] M. "simple interest" means a method of
25 calculating interest in which the amount of interest is

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1 calculated based on the annual interest rate disclosed in the
2 loan agreement and is computed only on the outstanding
3 principal balance of the loan."

4 SECTION 5. Section 58-15-3 NMSA 1978 (being Laws 1955,
5 Chapter 128, Section 3, as amended) is amended to read:

6 "58-15-3. APPLICABILITY OF ACT--EXEMPTIONS--EVASIONS--
7 PENALTY.--

8 A. A person shall not engage in the business of
9 lending in amounts of two thousand five hundred dollars
10 (\$2,500) or less for a loan without first having obtained a
11 license from the director. Nothing contained in this
12 subsection shall restrict or prohibit a licensee under the New
13 Mexico Small Loan Act of 1955 from making loans in any amount
14 under the New Mexico Bank Installment Loan Act of 1959 in
15 accordance with the provisions of Section 58-7-2 NMSA 1978;
16 provided, however, that consumer loans in an amount of two
17 thousand five hundred dollars (\$2,500) or less shall be made
18 only pursuant to the New Mexico Small Loan Act of 1955.

19 B. Nothing in the New Mexico Small Loan Act of 1955
20 shall apply to a person making individual advances of two
21 thousand five hundred dollars (\$2,500) or less under a written
22 agreement providing for a total loan or line of credit in
23 excess of two thousand five hundred dollars (\$2,500).

24 C. A banking corporation, savings and loan
25 association or credit union operating under the laws of the

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1 United States or of a state shall be exempt from the licensing
2 requirements of the New Mexico Small Loan Act of 1955, nor
3 shall that act apply to business transacted by any person under
4 the authority of and as permitted by any such law nor to any
5 bona fide pawnbroking business transacted under a pawnbroker's
6 license nor to bona fide commercial loans made to dealers upon
7 personal property held for resale. Nothing contained in the
8 New Mexico Small Loan Act of 1955 shall be construed as
9 abridging the rights of any of those exempted from the
10 operations of that act from contracting for or receiving
11 interest or charges not in violation of an existing applicable
12 statute of this state.

13 D. The provisions of Subsection A of this section
14 apply to:

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

19 (2) a person who seeks to evade its
20 application by any device, subterfuge or pretense whatsoever,
21 including but not thereby limiting the generality of the
22 foregoing:

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

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1 (b) the use of collateral or related
2 sales or purchases of goods or services or agreements to sell
3 or purchase, whether real or pretended;

4 (c) receiving or charging compensation
5 for goods or services, whether or not sold, delivered or
6 provided; and

7 (d) the real or pretended negotiation,
8 arrangement or procurement of a loan through any use or
9 activity of a third person, whether real or fictitious; and

10 (3) a person who makes consumer loans
11 utilizing the internet.

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

23 F. A person making a loan pursuant to the New
24 Mexico Small Loan Act of 1955 shall not use a device or
25 agreement that would have the effect of charging or collecting

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1 more fees, charges or interest than that allowed by law by
2 entering into a different type of transaction with the consumer
3 that would have that effect."

4 SECTION 6. Section 58-15-20 NMSA 1978 (being Laws 1955,
5 Chapter 128, Section 18, as amended) is amended to read:

6 "58-15-20. FEES AND COSTS.--

7 A. Notwithstanding any provision of the New Mexico
8 Small Loan Act of 1955, lawful fees, if any, actually and
9 necessarily paid out by the licensee to a public officer for
10 the filing, recording or releasing in a public office of an
11 instrument securing the loan may be charged to the borrower.

12 B. Notwithstanding any provision in a note or other
13 loan contract taken or received pursuant to the provisions of
14 the New Mexico Small Loan Act of 1955, attorney fees shall not
15 be charged or collected except when the note or other contract
16 has been submitted in good faith to an attorney for collection
17 and after diligent and good faith effort to collect on the part
18 of the licensee has failed.

19 C. Notary fees incident to the taking of a lien to
20 secure a small loan or releasing such a lien shall not be
21 charged or collected by a licensee, an officer, agent or
22 employee of a licensee or anyone within an office, room or
23 place of business in which a small loan office is conducted.

24 D. Delinquency fees shall not exceed five cents
25 (\$.05) for each one dollar (\$1.00) of each installment more

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1 than ten days in arrears; provided that the total of
2 delinquency charges on any such installment shall not exceed
3 ten dollars (\$10.00) and that only one delinquency charge shall
4 be made on any one installment regardless of the period during
5 which the installment remains unpaid.

6 E. Notwithstanding any provision of the New Mexico
7 Small Loan Act of 1955, upon the execution of a loan agreement,
8 the licensee may impose an administrative fee not to exceed the
9 amount necessary to cover the fee for submitting information
10 regarding the consumer and the loan to a database reporting
11 service if required pursuant to the New Mexico Small Loan Act
12 of 1955."

13 SECTION 7. A new section of the New Mexico Small Loan Act
14 of 1955, Section 58-15-20.1 NMSA 1978, is enacted to read:

15 "58-15-20.1. [NEW MATERIAL] CONSUMER LOANS--MAXIMUM
16 INTEREST CHARGES--MINIMUM LOAN PERIOD.--

17 A. A person required to be a licensee pursuant to
18 the New Mexico Small Loan Act of 1955, when making a consumer
19 loan with a principal amount of two thousand five hundred
20 dollars (\$2,500) or less, shall not:

21 (1) charge interest in excess of seventy-five
22 percent of the original principal amount of the loan. Once the
23 consumer has paid a total of one hundred seventy-five percent
24 of the original principal amount of the loan, including
25 principal and interest, the loan shall be deemed satisfied and

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1 considered paid in full by the consumer; or

2 (2) make more than one consumer loan at a time
3 to a consumer.

4 B. A person required to be a licensee pursuant to
5 the New Mexico Small Loan Act of 1955, when making a loan with
6 a principal amount of two thousand five hundred dollars
7 (\$2,500) or less pursuant to that act, shall not charge any
8 interest or fees not provided for in Subsection A of this
9 section or in Section 58-15-20 NMSA 1978.

10 C. A loan made pursuant to the New Mexico Small
11 Loan Act of 1955 shall have a minimum loan period of ninety
12 days and shall include payment terms of at least three
13 substantially equal payments with the final payment due upon
14 loan maturity.

15 D. A licensee making a consumer loan in an amount
16 of two thousand five hundred dollars (\$2,500) or less shall
17 provide a notice immediately above the consumer's signature on
18 each consumer loan agreement in at least twelve-point bold type
19 using the following language:

20 "(1) Once you have paid principal and interest
21 in the amount of 175% of the principal amount of your loan
22 ([insert numeric dollar amount of loan principal and maximum
23 permitted interest]), your loan shall be considered paid in
24 full.

25 (2) You have no obligation to renew your loan

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1 at any time before it is considered paid in full."

2 E. For every consumer with which a licensee does
3 business, the licensee shall have at least thirty days within a
4 twelve-month period during which that consumer does not have an
5 outstanding consumer loan with that licensee.

6 G. The provisions of this section do not apply to
7 payday loans or to consumer loans secured by a motor vehicle
8 certificate of title."

9 SECTION 8. Section 58-15-39 NMSA 1978 (being Laws 2007,
10 Chapter 86, Section 21) is amended to read:

11 "58-15-39. DUTIES OF DIVISION.--

12 A. The division shall:

13 (1) maintain a list of licensees, which list
14 shall be available to interested persons and the public; and

15 (2) establish a complaint process whereby an
16 aggrieved consumer or other person may file a complaint against
17 a licensee.

18 B. The division shall annually provide a report to
19 the legislature detailing statistics, including data adequate
20 to obtain an accurate understanding of the practices,
21 demographics and legal compliance of all licensees licensed in
22 the state. The division shall compile an annual report by
23 October 1 of each year containing, at a minimum, data regarding
24 all payday loan products entered into in the preceding calendar
25 year on an aggregate basis. Annual reports shall be made

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1 available to interested parties and the general public and
2 published on the division's web site. Consistent with state
3 law, the report shall include, at a minimum, nonidentifying
4 consumer data from the preceding year, including:

5 (1) the total number and dollar amount of
6 payday loan products entered into in the calendar year ending
7 December 31 of the previous year;

8 (2) the total number and dollar amount of
9 payday loan products outstanding as of December 31 of the
10 previous year;

11 (3) the effective annualized percentage rate
12 and the average number of days of a payday loan during the
13 calendar year ending December 31 of the previous year;

14 (4) the number of payday loan products entered
15 into in the amount of one hundred dollars (\$100) or less, the
16 number of payday loan products entered into in the amount of
17 one hundred one dollars (\$101) to five hundred dollars (\$500),
18 the number of payday loan products entered into in the amount
19 of five hundred one dollars (\$501) to one thousand dollars
20 (\$1,000), the number of payday loan products entered into in
21 the amount of one thousand one dollars (\$1,001) to one thousand
22 five hundred dollars (\$1,500), the number of payday loan
23 products in [~~the~~] an amount [~~of~~] greater than one thousand five
24 hundred dollars (\$1,500) and the percentage of total payday
25 loan products entered into in each of those ranges;

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1 (5) an estimate of the total dollar amount of
2 fees collected for payday loan products;

3 (6) the total number of payday loan products
4 entered into and the total dollar amount of the net charge-offs
5 or write-offs and of the net recoveries of licensees;

6 (7) the minimum, maximum and average dollar
7 amounts of payday loan products entered into in the calendar
8 year ending December 31 of the previous year;

9 (8) the average payday loan product amount,
10 average number of transactions and average aggregate payday
11 loan product amount entered into per consumer each year;

12 (9) the average number of days a consumer is
13 engaged in a payday loan product each year;

14 (10) an estimate of the average total fees
15 paid by a payday loan product consumer;

16 (11) the number of consumers who are eligible
17 for payment plans and the number of consumers who enter into
18 payment plans pursuant to Section 58-15-35 NMSA 1978; and

19 (12) the number of consumers who are subject
20 to the restrictions of the waiting period pursuant to Section
21 [~~58-17-36~~] 58-15-36 NMSA 1978.

22 C. The division shall compile an annual report by
23 October 1 of each year containing, at a minimum, data regarding
24 all loans made pursuant to the New Mexico Small Loan Act of
25 1955 other than payday loan products entered into in the

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1 preceding calendar year on an aggregate basis. Annual reports
2 shall be made available to interested parties and the general
3 public and published on the division's web site. Consistent
4 with state law, the report shall include, at a minimum,
5 nonidentifying consumer data from the preceding year,
6 including:

7 (1) the total number and dollar amount of
8 loans entered into in the calendar year ending December 31 of
9 the previous year;

10 (2) the total number and dollar amount of
11 loans outstanding as of December 31 of the previous year;

12 (3) the effective annualized percentage rate
13 and the average number of days of a loan during the calendar
14 year ending December 31 of the previous year;

15 (4) the number of loans entered into in the
16 amount of five hundred dollars (\$500) or less, the number of
17 loans entered into in the amount of five hundred one dollars
18 (\$501) to one thousand dollars (\$1,000), the number of loans
19 entered into in the amount of one thousand one dollars (\$1,001)
20 to three thousand dollars (\$3,000), the number of loans entered
21 into in the amount of three thousand one dollars (\$3,001) to
22 five thousand dollars (\$5,000), the number of loans in an
23 amount greater than five thousand dollars (\$5,000) and the
24 number of loans listed by licensee entered into in each of
25 those ranges;

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1 (5) the total dollar amount of interest and
2 fees collected for loans;

3 (6) the total dollar amount of the net
4 charge-offs or write-offs and of the net recoveries of
5 licensees;

6 (7) the minimum, maximum and average dollar
7 amounts of loans entered into in the calendar year ending
8 December 31 of the previous year;

9 (8) the average loan amount, average number of
10 transactions and average aggregate loan amount entered into per
11 consumer each year; and

12 (9) the number of loans made to renew existing
13 accounts and the number of loans made to new customers."

14 SECTION 9. A new section of the New Mexico Small Loan Act
15 of 1955 is enacted to read:

16 "[NEW MATERIAL] LOAN DATABASE.--

17 A. Within one business day of executing a loan
18 agreement with a consumer, receiving a payment on behalf of a
19 consumer, a default by a consumer or any collection effort by a
20 licensee, a licensee shall provide to one or more database
21 reporting services the information set forth in Paragraph (1)
22 of Subsection C of this section. Licensees shall comply with
23 the provisions of this section for all loans executed on or
24 after November 1, 2011.

25 B. No later than November 1, 2011, the director

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1 shall certify that one or more database reporting services are
2 commercially reasonable methods of collecting and reporting
3 information regarding loans made pursuant to the New Mexico
4 Small Loan Act of 1955. The list of database reporting
5 services that the director has certified as providing
6 commercially reasonable methods of collecting and reporting
7 information regarding loans made pursuant to the New Mexico
8 Small Loan Act of 1955 shall be posted on the division's web
9 site and shall be mailed to each licensee by first class mail
10 at the address of record as shown on the division's licensing
11 files.

12 C. In certifying a commercially reasonable method
13 of collecting and reporting information regarding loans made
14 pursuant to the New Mexico Small Loan Act of 1955, the director
15 shall ensure that the database reporting service:

16 (1) requires licensees to enter the following
17 information in a manner provided by rule adopted pursuant to
18 the New Mexico Small Loan Act of 1955:

19 (a) the consumer's unique identifier;
20 (b) whether the loan is a new loan, a
21 renewal of an existing loan or an extension of an existing
22 loan;

23 (c) information on any security or
24 collateral for the loan;

25 (d) the amount of the loan;

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- 1 (e) the contract rate of interest
2 charged and the annual percentage rate;
- 3 (f) the nature and amount of all fees
4 charged other than interest;
- 5 (g) the maturity of the loan;
- 6 (h) the repayment terms of the loan;
- 7 (i) the dates on which loan repayments
8 were made, the nature and amount of each repayment, the date on
9 which the loan was paid in full and the total amount of
10 interest and of fees collected;
- 11 (j) the date of a notice of default;
- 12 (k) the nature and amount of fees to be
13 collected in the event of default;
- 14 (l) the amount recovered through
15 collection; and
- 16 (m) the amount of principal, interest
17 and fees charged off;
- 18 (2) contains a regulator interface that allows
19 the division access to the database reporting service for the
20 required monitoring and reporting function, including the
21 ability to generate reports for licensee examinations,
22 regulatory reporting and program monitoring;
- 23 (3) provides adequate safeguards to ensure
24 that consumer information contained in the database is kept
25 strictly confidential;

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1 (4) ensures that information submitted to the
2 database is kept confidential and shall not be released or
3 otherwise made available to the public;

4 (5) demonstrates a working system to the
5 division prior to the certification of the database; and

6 (6) is generated by a registered consumer
7 reporting service that is subject to the applicable rules and
8 regulations applied by the federal trade commission under the
9 federal Fair Credit Reporting Act.

10 D. In determining whether a database reporting
11 service should be certified as a commercially reasonable method
12 of collecting and reporting information regarding loans made
13 pursuant to the New Mexico Small Loan Act of 1955, the director
14 shall consider whether the database reporting service is
15 adequately capitalized, demonstrates the resources and the
16 ability to perform the services required pursuant to this
17 section and has appropriate surety to ensure performance of its
18 obligations pursuant to this section and to protect claimants
19 reasonably in the event that actions or inactions on the part
20 of the database reporting service result in damages to
21 licensees or consumers.

22 E. The provisions of Section 14-7-1 NMSA 1978 shall
23 not apply to access by the division to information for purposes
24 of compliance monitoring or preparation of reports contained in
25 a certified database established pursuant to this section.

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1 F. The provisions of this section do not apply to
2 payday loans."

3 SECTION 10. REPEAL.--Section 58-15-19 NMSA 1978 (being
4 Laws 1955, Chapter 128, Section 17) is repealed.

5 SECTION 11. APPLICABILITY.--The provisions of Section 7
6 of this act shall not apply to consumer loans entered into
7 before July 1, 2011 or to loans other than consumer loans in an
8 amount of two thousand five hundred dollars (\$2,500) or less.

9 SECTION 12. EFFECTIVE DATE.--

10 A. The effective date of the provisions of Sections
11 8 and 9 of this act is November 1, 2011.

12 B. The effective date of the provisions of Sections
13 1 through 7 and 10 and 11 of this act is July 1, 2011.