

# **Governor Richardson Signs Payday Lending Bill**

## ***More Protection for Customers***

March 30, 2007

Santa Fe – Governor Bill Richardson today signed Payday Lending legislation which imposes tough restrictions on the payday lending industry. The new law will protect consumers from currently unregulated predatory lenders. The compromise bill was crafted by the Administration, Senate, and House with the support of the Attorney General.

“These new changes protect consumers and crack down on predatory lending practices,” said Governor Bill Richardson. “I believe the state has an obligation to protect consumers from unfair lending practices. We have done that today.”

House Bill 92 prohibits renewals and rollovers of payday loans, requires automatic 130 day payment plans for those who cannot repay their payday loan on time, imposes a 10-day “cooling off” period before individuals can request another loan after being in a payment plan, add tough new consumer rights signage, and requires the provision of information in Spanish. Consumers will no longer be able to take out payday loans that exceed 25% of gross monthly income.

“I want to emphasize that this is a compromise – which means all sides on this issue have given ground,” Richardson said. “But we have done the right thing to protect consumers, including our most vulnerable citizens, who have gone unprotected for too long.”

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