



## New Mexico Regulation and Licensing Department

Financial Institutions Division

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### MEMORANDUM

TO: New Mexico Legislators

FROM: Cynthia Richards, Director *CR*

RE: Annual Report Installment Loan Products  
With APR greater than 175%

DATE: October 1, 2014

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Subject report is available from Tracey Kimball, Librarian, Legislative Council Services, 411 State Capital (986-4667).

In accordance with the New Mexico Small Loan Act (58-15-39), the Annual Report regarding all Installment Loan Products with APR greater than 175% for calendar year 2013 is enclosed.

Alcohol and Gaming Division  
(505) 476-4875

Boards and Commissions Division  
(505) 476-4600

Construction Industries Division  
(505) 476-4700

Financial Institutions Division  
(505) 476-4885

Manufactured Housing Division  
(505) 476-4770

Securities Division  
(505) 476-4580

Administrative Services Division  
(505) 476-4800

## TITLE LOANS

*Defined as "a loan secured by the borrower's vehicle title, which is structured to be a short term, fixed rate, closed end transaction usually paid in one installment".*

**In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013**

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of  
December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was **131**

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	<i>Min:</i>	0.00
	<i>Max:</i>	651.81
	<i>Average:</i>	292.03
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	21,264
	<i>\$501 to \$1000:</i>	19,250
	<i>\$1,001 to \$3,000</i>	14,309
	<i>\$3,001 to \$5,000</i>	810
	<i>Greater than \$5,000</i>	198
3. Total number of loans for the loan product		55,831
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$47,090,776.22
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$768.71
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		22,636
7. The total dollar amount of loan principal repaid.		\$33,785,063.47
8. The total dollar amount of interest received.		\$27,189,840.27
9. The total dollar amount of fees received.		\$1,087,127.54
10. The total number of loans secured by collateral of some type.		55,369
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		1,518
12. The total amount of loan principal written-off or charged-off.		\$3,921,283.98
13. The total amount of accrued interest written-off or charged-off.		\$2,287,354.61
14. The average percentage of consumers who were new consumers		54.27
15. The number of loans that were renewed, refinanced or extended.		26,086

**Listed Below are Descriptions of procedures and standard practices used to establish  
the consumer's ability to repay the loan.**

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Bank Account Verification</i>	23	17.56%
<i>Clean Collateral Title</i>	15	11.45%
<i>Collateral Insurance Verification</i>	6	4.58%
<i>Collateral Value</i>	27	20.61%
<i>Credit History</i>	40	30.53%
<i>Debt to Income Percentage Requirement</i>	30	22.90%
<i>Employment Stability</i>	1	0.76%
<i>Identification Requirement (i.e. Photo ID)</i>	10	7.63%
<i>Income Stability</i>	13	9.92%
<i>Income Verification</i>	71	54.20%
<i>Minimum Employment Requirement</i>	3	2.29%
<i>Minimum Income Requirement</i>	19	14.50%
<i>Minimum Residence Requirement</i>	2	1.53%
<i>Personal Information Verification</i>	10	7.63%
<i>Residence Verification</i>	34	25.95%
<i>References</i>	1	0.76%
<i>Other</i>	19	14.50%
Grace Period Option (Up to 5 days)		
Loan Balance repayment through Company Collection Dept.		
Loan Purpose		
Payment Plan Option		
Vehicle Registration		

## INSTALLMENT LOANS (Unsecured)

*Defined as "a loan that is to be repaid in a minimum of four successive substantially equal payment amounts to pay off a loan in its entirety with a period of no less than one hundred twenty days to maturity." This loan type has no collateral associated with this loan product.*

**In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013**

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was 99

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	Min:	0.00
	Max:	1,517.09
	Average:	486.48
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	36,959
	<i>\$501 to \$1000:</i>	20,378
	<i>\$1,001 to \$3,000</i>	7,242
	<i>\$3,001 to \$5,000</i>	121
	<i>Greater than \$5,000</i>	35
3. Total number of loans for the loan product		64,735
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$38,426,486.84
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$546.57
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		30,554
7. The total dollar amount of loan principal repaid.		\$29,239,879.53
8. The total dollar amount of interest received.		\$21,568,057.12
9. The total dollar amount of fees received.		\$614,265.41
10. The total number of loans secured by collateral of some type.		16
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		0
12. The total amount of loan principal written-off or charged-off.		\$3,820,702.68
13. The total amount of accrued interest written-off or charged-off.		\$2,213,838.18
14. The average percentage of consumers who were new consumers		44.11
15. The number of loans that were renewed, refinanced or extended.		11,950

Listed Below are Descriptions of procedures and standard practices used to establish the consumer's ability to repay the loan.

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Bank Account Stability</i>	15	15.15%
<i>Bank Account Verification</i>	2	2.02%
<i>Collateral Value</i>	3	3.03%
<i>Credit History</i>	32	32.32%
<i>Debt to Income Percentage Requirement</i>	38	38.38%
<i>Employment Stability</i>	7	7.07%
<i>Employment Verification</i>	15	15.15%
<i>Established Borrower History with Licensee</i>	1	1.01%
<i>Identification Requirement (i.e. Photo ID)</i>	7	7.07%
<i>Income Stability</i>	26	26.26%
<i>Income Verification</i>	27	27.27%
<i>Minimum Employment Requirement</i>	2	2.02%
<i>Minimum Income Requirement</i>	2	2.02%
<i>Personal Information Verification</i>	4	4.04%
<i>Residence Stability</i>	2	2.02%
<i>Residence Verification</i>	4	4.04%
<i>References</i>	1	1.01%
<i>Requested Loan Amount</i>	4	4.04%
<i>Other</i>	16	16.16%
Grace Period Option (Up to 5 days)		
Loan Balance repayment through Company Collection Dept.		
Current Housing Status		
Max Loan Amount of \$35.00		

## INSTALLMENT LOANS (Vehicle Title Secured)

Defined as "a loan that is to be repaid in a minimum of four successive substantially equal payment amounts to pay off a loan in its entirety with a period of no less than one hundred twenty days to maturity." This loan type is secured by vehicle title that is clearly identified on the loan documents.

In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was **113**

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	<i>Min:</i>	0.00
	<i>Max:</i>	651.79
	<i>Average:</i>	222.26
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	9,633
	<i>\$501 to \$1000:</i>	11,147
	<i>\$1,001 to \$3,000</i>	9,678
	<i>\$3,001 to \$5,000</i>	1,026
	<i>Greater than \$5,000</i>	248
3. Total number of loans for the loan product		31,732
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$33,081,019.42
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$1,236.73
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		13,279
7. The total dollar amount of loan principal repaid.		\$19,664,270.75
8. The total dollar amount of interest received.		\$15,874,238.17
9. The total dollar amount of fees received.		\$242,140.69
10. The total number of loans secured by collateral of some type.		31,727
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		755
12. The total amount of loan principal written-off or charged-off.		\$2,498,804.25
13. The total amount of accrued interest written-off or charged-off.		\$766,979.71
14. The average percentage of consumers who were new consumers		57.83
15. The number of loans that were renewed, refinanced or extended.		21,851

Listed Below are Descriptions of procedures and standard practices used to establish the consumer's ability to repay the loan.

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Bank Account Verification</i>	25	21.55%
<i>Clean Collateral Title</i>	3	2.59%
<i>Collateral Insurance Verification</i>	3	2.59%
<i>Collateral Value</i>	6	5.17%
<i>Credit History</i>	12	10.34%
<i>Debt to Income Percentage Requirement</i>	55	47.41%
<i>Employment Stability</i>	7	6.03%
<i>Employment Verification</i>	2	1.72%
<i>Income Stability</i>	27	23.28%
<i>Income Verification</i>	67	57.76%
<i>Residence Verification</i>	27	23.28%
<i>Requested Loan Amount</i>	1	0.86%
<i>Other</i>	1	0.86%

## INSTALLMENT LOANS (Secured)

*Defined as "a loan that is to be repaid in a minimum of four successive substantially equal payment amounts to pay off a loan in its entirety with a period of no less than one hundred twenty days to maturity." This loan type is secured by collateral other than Vehicle Titles.*

**In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013**

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was 116

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	<i>Min:</i>	0.00
	<i>Max:</i>	608.33
	<i>Average:</i>	350.25
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	55,265
	<i>\$501 to \$1000:</i>	20,503
	<i>\$1,001 to \$3,000</i>	15,192
	<i>\$3,001 to \$5,000</i>	1,119
	<i>Greater than \$5,000</i>	21
3. Total number of loans for the loan product		92,100
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$59,811,007.65
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$4,542.98
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		29,531
7. The total dollar amount of loan principal repaid.		\$48,151,658.03
8. The total dollar amount of interest received.		\$28,791,602.17
9. The total dollar amount of fees received.		\$440,466.82
10. The total number of loans secured by collateral of some type.		92,251
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		128
12. The total amount of loan principal written-off or charged-off.		\$5,392,077.80
13. The total amount of accrued interest written-off or charged-off.		\$2,424,103.66
14. The average percentage of consumers who were new consumers		46.58
15. The number of loans that were renewed, refinanced or extended.		32,518



**Listed Below are Descriptions of procedures and standard practices used to establish  
the consumer's ability to repay the loan.**

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Bank Account Verification</i>	26	25.49%
<i>Collateral Value</i>	2	1.96%
<i>Credit History</i>	6	5.88%
<i>Debt to Income Percentage Requirement</i>	48	47.06%
<i>Employment Stability</i>	27	26.47%
<i>Income Stability</i>	4	3.92%
<i>Income Verification</i>	47	46.08%
<i>Minimum Income Requirement</i>	22	21.57%
<i>Residence Stability</i>	3	2.94%
<i>Residence Verification</i>	47	46.08%
<i>Other</i>	20	19.61%
Character		
Grace Period Option (Up to 5 Days)		
Loan Balance repayment through Company Collection Dept.		
Payment Plan Option		

## REFUND TAX ANTICIPATION LOANS

*Defined as a loan that is secured by the proceeds from a consumer's anticipated income tax refund or tax credit.*

**In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013**

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of  
December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was **14**

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	<i>Min:</i>	15.00
	<i>Max:</i>	3,287.69
	<i>Average:</i>	348.64
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	24,777
	<i>\$501 to \$1000:</i>	11,037
	<i>\$1,001 to \$3,000</i>	11,201
	<i>\$3,001 to \$5,000</i>	197
	<i>Greater than \$5,000</i>	55
3. Total number of loans for the loan product		47,267
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$34,060,259.95
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$827.70
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		372,628
7. The total dollar amount of loan principal repaid.		\$23,002,664.61
8. The total dollar amount of interest received.		\$3,378,552.24
9. The total dollar amount of fees received.		\$114,822.50
10. The total number of loans secured by collateral of some type.		17,214
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		0
12. The total amount of loan principal written-off or charged-off.		\$1,039,139.92
13. The total amount of accrued interest written-off or charged-off.		\$162,752.15
14. The average percentage of consumers who were new consumers		15.79
15. The number of loans that were renewed, refinanced or extended.		0

Listed Below are Descriptions of procedures and standard practices used to establish the consumer's ability to repay the loan.

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Credit History</i>	3	21.43%
<i>Established Borrower History with Licensee</i>	3	21.43%
<i>Estimated Tax Refund</i>	13	92.86%
<i>Income Verification</i>	1	7.14%

## OTHER LOAN TYPES

*Loans that do not fall within the defined guidelines of the various loan products.*

**In accordance with the provisions of 58-15-10.1 NMSA 1978  
Reporting Period January 1, 2013 through December 31, 2013**

The Financial Institutions Division licensed and regulated six-hundred and fifty seven (657) small loan companies as of December 31, 2013.

The number of licensees reporting to make this loan product above 175% APR was 16

1. Minimum, Maximum, and Average Annual Percentage Rate (APR) for the loan product.	<i>Min:</i>	265.00
	<i>Max:</i>	521.00
	<i>Average:</i>	520.31
2. The total number of loan transactions entered into for the loan product in the following amounts:	<i>\$500 or Less:</i>	2,904
	<i>\$501 to \$1000:</i>	1,327
	<i>\$1,001 to \$3,000</i>	0
	<i>\$3,001 to \$5,000</i>	0
	<i>Greater than \$5,000</i>	0
3. Total number of loans for the loan product		4,231
4. Total dollar amount of loan principal for the loan product (Loan Origination Amount)		\$2,006,460.00
5. The average principal loan amount for the loan product (Loan Origination Amount)		\$478.66
6. The total number of loans for the loan product for which the loan principal and accrued interest was not paid in full.		448
7. The total dollar amount of loan principal repaid.		\$1,151,066.00
8. The total dollar amount of interest received.		\$1,661,241.00
9. The total dollar amount of fees received.		\$0.00
10. The total number of loans secured by collateral of some type.		4,231
11. The total number of loans secured by collateral of some type in which the security was foreclosed upon or repossessed.		0
12. The total amount of loan principal written-off or charged-off.		\$2,243.00
13. The total amount of accrued interest written-off or charged-off.		\$654.00
14. The average percentage of consumers who were new consumers		60.69
15. The number of loans that were renewed, refinanced or extended.		10,001

**Listed Below are Descriptions of procedures and standard practices used to establish the consumer's ability to repay the loan.**

	<i>Total Number of Responses</i>	<i>Pct. of Licensees</i>
<i>Other</i>	16	100.00%
Grace Period Option (Up to 5 days)		
Loan Balance repayment through Company Collection Dept.		
Payment Plan Option		