

This is an amendment to 12.18.4 NMAC, title of part, and Sections 2, 6, 7, and 8, effective 09/15/2018.

PART 4 MANDATORY SIGNAGE FOR ~~[PAYDAY LENDERS AND TITLE]~~ ALL SMALL LOAN COMPANIES

12.18.4.2 SCOPE: Loan companies conducting ~~[Title Loan and Payday Loan]~~ business in New Mexico.
[12.18.4.2 NMAC - N, 10/1/2001, A, 09/15/2018]

12.18.4.6 OBJECTIVE: The objective of this part is to require prominent signage disclosing the ~~[schedule of charges to obtain a]~~ loan rates and fees to obtain a loan and to assist consumers in the loan decision process.
[12.18.4.6 NMAC - N, 10/1/2001, A 09/15/2018]

12.18.4.7 DEFINITIONS:

~~_____ A. "Title" loan means 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.~~

~~_____ B. "Payday" loan means a loan where the business operator cashes a personal check tendered by the customer and agrees in writing to defer presentation of that check until the customer's next payday, or another date agreed to by the business operator and the customer.]~~ "Annual Percentage Rate" or "APR" means the measure of the cost of credit, expressed as a yearly rate.

[12.18.4.7 NMAC - N, 10/1/2001; A, 09/15/2018]

12.18.4.8 MANDATORY SIGNAGE FOR ALL SMALL LOAN COMPANIES:

A. All ~~[Title and Payday]~~ small loan companies must display in each licensed place of business a prominent sign, readily visible to borrowers, disclosing the ~~[schedule of charges]~~ annual percentage rate and fees. ~~[The prominent sign in a reduced form, with font, no smaller than 10 point, must be displayed at every workstation where loans are originated.]~~ On all company websites, social media pages, and mobile applications where content regarding loans offered or made to borrowers in New Mexico may be accessed by consumers, the prominent sign, in a reduced form, shall be easily accessible to consumers to review via an interactive link to a New Mexico specific web page maintained by the company containing all information required to be on the sign mandated by this section.

B. The lettering on the prominent sign must be no smaller than 24-point font, unless specified otherwise.

C. The sign must state in bold capital letters, the words, ~~["SCHEDULE OF CHARGES"]~~ "LOAN RATES AND FEES."

D. Below the words ~~["schedule of charges"]~~ "loan rates and fees," in bold capital letters, the sign shall state, ~~["THE CHART BELOW REPRESENTS ILLUSTRATIVE EXAMPLES OF THE COST OF A LOAN TO THE BORROWER."] "BELOW IS GENERAL INFORMATION REGARDING ALL RATES AND FEES THAT WILL ASSIST YOU IN MAKING YOUR LOAN DECISION. IF YOU HAVE ANY QUESTIONS, OR WOULD LIKE MORE INFORMATION, PLEASE ASK. MAKE CERTAIN THE QUESTIONS THAT YOU ASK ARE ANSWERED. MAKE CERTAIN YOU UNDERSTAND THE TERMS AND COSTS OF YOUR LOAN."~~

E. The ~~[chart must have the following headings starting from left to right. The borders for the first two]~~ disclosure shall consist of two distinctive sections. Each section heading must be printed from left to right. The borders for the two section headings must be more prominent than the others.

(1) The first heading shall have in bold capital letters the words, "ANNUAL PERCENTAGE RATE (APR)" followed by the words in bold ~~[14 point]~~ font, "The cost of your credit as a yearly rate. ~~[Assumes a _____ day repayment period. The blank is to be replaced with the actual number of days used for the illustrative Annual Percentage Rate calculation shown on the chart.]~~ APR is a combination of the interest rate plus the fees charged on your loan. APR is higher than the interest rate because it includes both fees and interest as finance charges."

(a) Below the preceding sentences in bold type the following words shall appear: "Your actual terms and the Annual Percentage Rate (APR) will be determined at the time your application is submitted and will be based upon your application and credit information. Not all applicants will qualify for the lowest rate."

(b) Below the preceding sentences in bold type the following words shall appear: "Under New Mexico law, the APR for a loan in an amount of \$5,000 or less made pursuant to the Small Loan Act of

1955 or the Bank Installment Loan Act of 1959 cannot exceed one hundred and seventy-five percent, effective January 1, 2018.”

(2) The second heading shall have in bold capital letters the ~~[words, “FINANCE CHARGE”]~~ word “FEES” followed by the ~~[in 14 point font]~~ words: ~~“[“The dollar amount the credit will cost you.”] “A list of all fees that you may be charged.”~~ The heading shall be followed with a table containing a list of all fees that a borrower may be charged.

~~[(3) The third heading shall have the words, “Amount Financed” followed by the words in 14-point font, “The amount of credit provided to you or on your behalf.”~~

~~(4) The fourth heading shall have the words “Total of Payments” followed by the words in 14-point font, “The amount you will have paid after you have made all payments as scheduled.”~~

~~(5) The fifth heading shall have the words “Number of Payment(s) used in the APR calculation.”~~

~~F. Below the chart headings, the company must have illustrative examples of each class of loans the company offers.]~~

~~[G.]F. Below the ~~[chart]~~ second heading in bold capital letters the following words shall appear: “TO REPORT A PROBLEM OR COMPLAINT WITH THIS LENDER, YOU MAY WRITE OR CALL _____.” The blank shall be filled in with a position title, address, phone number, and email address of the company’s problem resolution person.~~

~~[H.]G. The bottom of the sign shall have the following words, “This ~~[business]~~ lender is licensed and regulated by the New Mexico Regulation and Licensing Department, Financial Institutions Division, P.O. Box 25101, 2550 Cerrillos Road, Santa Fe, New Mexico [87505] 87504. To report any unresolved problems or complaints, contact the division by telephone number (505) 476-4885 or visit the website <http://www.rld.state.nm.us/financialinstitutions/>”.~~

[12.18.4.8 NMAC - N, 10/1/2001; A, 08/13/2004; A, 09/15/2018]