

Questions from
National Delayed Deposit Services Network
Regarding
Payday Loan Consumer Reporting Services

1. Officially, how many licensees are there? **There are currently 599 small loan licensees. Not all licensees choose to offer payday loans. It is estimated that there are approximately 300 licensees offering payday loans.** How many locations (total branches) are there? **None. The Small Loan Act does not allow branching of a small loan license. Every location must have its own license.**
2. How many loans per month does the FID estimate in the beginning? After 6 months? **The Financial Institutions Division does not have any historical data to base an estimate on.**
3. How many inquiries per month does the FID estimate in the beginning? After 6 months? **The Financial Institutions Division does not have any historical data to base an estimate on.**
4. Can a consumer have a loan for 15% of their monthly income and then go get another loan at the same location OR at another location for the remaining 10% while the first loan is still active? **Yes.**
5. If so, can the consumer to enter into payment plans with one or both licensees afterwards? **Yes.**
6. The law says a consumer must wait 10 days after completing a payment plan and all other obligations. Does that mean the waiting period does not pertain to customers who have completed a normal payday loan (not on a payment plan)? **Yes.**
7. For Report #9, would you like to know the number of distinct days a consumer has a loan product in a year? Or the number of days a customer was not in a payday loan product? **Number of days in a year the consumer was in a payday loan product.**
8. The Act and RFI state a credit reporting service provider must provide an alternative accessibility option (i.e. telephone) in case the credit reporting service provider's Internet or database become incapacitated. Is the alternative accessibility option required for Internet or hardware failures of the licensees? **Yes.**
9. Does the state require that hardware running this service be domiciled in the state of New Mexico? **No.** Who will retain ownership rights of hardware? If it is the state of New Mexico, will it be purchased or leased? Who will retain ownership rights of the data? **The state of New Mexico will not be purchasing any hardware. The state will not seek ownership rights in the data; The state requires the ability to access the data on a 24/7 year round basis; and the state requires a perpetual, unrestricted license to use the data itself.**
10. Do the most remote areas of the state have Internet access? **Unknown.** If not, how many locations are not capable of Internet access?

11. Is the payment plan considered an extension of a payday loan, and not a separate product? **“Payday loan product” means a payday loan or a payment plan pursuant to section 58-15-35 NMSA 1978.**
12. Can a consumer enter into more than one payment plan? **Yes, one payment plan per payday loan.**
13. How detailed can the reason for determination be? Can the credit reporting service provider display current history? Complete history? **This will be addressed during the rulemaking process.**
14. Who will be responsible for collecting credit reporting service fees? **Licensee.**
15. What about Internet based websites offering payday loans? **Any person engaged in the business of lending in amounts of two thousand five hundred dollars or less must obtain a license from the Director of the Financial Institutions Division. This includes Internet lenders.**
16. Whose responsibility is it for maintaining loans (i.e. editing statuses)? **Licensee.**
17. What are the accessibility requirements in respects to bandwidth for customers in New Mexico? **Please clarify question as it is not clear whether the question relates to licensees or the borrowers.**
18. Does the state require access to the database? **Yes.** If so, what level of database access is the state requesting? **The state requires the ability to access the data on a 24/7 year round basis; and the state requires a perpetual, unrestricted license to use the data itself.**
19. How many access hubs is the state requesting? **Internet access to database from any location.**
20. Does the state require a fully redundant solution? **Yes.**
21. Does the state require five 9's for this solution? **Please clarify the question.**
22. Does the state have security specifications for this solution? **Yes. In order for a given solution to be certified, the vendor must meet the security standards outlined in the New Mexico Network Policy: <http://cio.state.nm.us/content/itcCommittees/ac/dt/S-STD-005-001.pdf>, Account Management Policy: <http://cio.state.nm.us/content/itcCommittees/ac/dt/S-STD-004-001.pdf>, and Backups Policy: <http://cio.state.nm.us/content/itcCommittees/ac/dt/S-STD-010-001.pdf>. Section four of the policies should be used as a definition of minimum requirements that must be met in order to qualify for certification. The policies do not need to be implemented verbatim, but the spirit of the policies should be evident in the vendor's processes. Is the state wanting to manage the hardware for this solution? **No.****
23. Will the state require the provider to allow other states to access this solution through this bid? **No.**
24. Does the State of New Mexico require the provider to be aligned with the WSCA contracts and the specifications and requirements therein for hardware? **No.**
25. How long must all transaction data be stored by law in New Mexico? **This will be addressed during the rulemaking process.**
26. How long does the state wish transaction data to be stored? **This will be addressed during the rulemaking process.**

27. What are the facility security requirements? At a minimum, the facility must meet the security standards outlined in the New Mexico IT Physical Security Policy: <http://cio.state.nm.us/content/itcCommittees/ac/dt/S-STD-009-001.pdf>. As defined above, section four in the policy should be used as a definition of minimum requirements that must be met in order to qualify for certification. The policies do not need to be implemented verbatim, but the spirit of the policy should be evident in the vendor's processes.
28. How many reports will the state be requesting for this solution?

At a minimum, one report must meet the requirement specified in House Bill 92 which states:

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

B. The division shall annually provide a report to the legislature detailing statistics, including data adequate to obtain an accurate understanding of the practices, demographics and legal compliance of all licensees licensed in the state. The division shall compile an annual report by October 1 of each year containing, at a minimum, data regarding all payday loan products entered into in the preceding calendar year on an aggregate basis. Annual reports shall be made available to interested parties and the general public. Consistent with state law, the report shall include, at a minimum, nonidentifying consumer data from the preceding year, including:

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

(2) the total number and dollar amount of payday loan products outstanding as of December 31 of the

previous year;

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

(4) the number of payday loan products entered into in the amount of one hundred dollars (\$100) or less, the number of payday loan products entered into in the amount of one hundred one dollars (\$101) to five hundred dollars (\$500), the number of payday loan products entered into in the amount of five hundred one dollars (\$501) to one thousand dollars (\$1,000), the number of payday loan products entered into in the amount of one thousand one dollars (\$1,001) to one thousand five hundred dollars (\$1,500), the number of payday loan products in the amount of greater than one thousand five hundred dollars (\$1,500) and the percentage of total payday loan products entered into in each of those ranges;

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

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

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

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

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

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

(11) the number of consumers who are eligible for payment plans and the number of consumers who

enter into payment plans pursuant to Section 58-15-35 NMSA 1978; and

(12) the number of consumers who are subject to the restrictions of the waiting period pursuant to Section 58-17-36 NMSA 1978."

Additionally, the state will need the ability to customize reports.

29. Is a virtual environment acceptable to the state? **Please clarify the question.**

30. Does the state have any hardware requirements for this solution? **Please clarify the question.**