

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 18 LOAN COMPANIES
PART 4 MANDATORY SIGNAGE FOR SMALL LOAN BUSINESSES

12.18.4.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department.

[12.18.4.1 NMAC - N, 10/1/2001; A, 08/13/2004]

12.18.4.2 SCOPE: Loan companies conducting business in New Mexico.

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

12.18.4.3 STATUTORY AUTHORITY: Section 58-15-11 NMSA 1978.

[12.18.4.3 NMAC - N, 10/1/2001]

12.18.4.4 DURATION: Permanent.

[12.18.4.4 NMAC - N, 10/1/2001]

12.18.4.5 EFFECTIVE DATE: October 1, 2001 unless a later date is cited at the end of a section.

[12.18.4.5 NMAC - N, 10/1/2001]

12.18.4.6 OBJECTIVE: The objective of this part is to require prominent signage disclosing the 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: “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 SMALL LOAN BUSINESSES:

A. All small loan companies must display in each licensed place of business a prominent sign, readily visible to borrowers, disclosing the 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, “LOAN RATES AND FEES.”

D. Below the words “loan rates and fees,” in bold capital letters, the sign shall state, “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 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 font, “The cost of your credit as a yearly rate. 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: “The calculation of APR is mandated pursuant to Federal Law (12 CFR Part 1026 – Truth in Lending Act (“TIL-

APR’’)). It is intended to provide a single value for a consumer to compare the cost of credit between one lender and another. Under New Mexico law, an additional type of annual percentage rate (“NM-APR”) must be disclosed, which may include additional charges that are not included in the TIL-APR. The NM-APR for a loan in an amount of more than \$500 and up to \$10,000 made pursuant to the Small Loan Act of 1955 or the Bank Installment Loan Act of 1959 cannot exceed thirty-six percent. The NM-APR for a loan in an amount of \$500 or less made pursuant to the Small Loan Act of 1955 or the Bank Installment Loan Act of 1959 cannot exceed thirty-six percent plus a fee that shall not exceed five percent of the total principal of the loan and shall not be imposed on any borrower more than once per 12-month period.”

(2) The second heading shall have in bold capital letters the words, “FEES” followed by the words: “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.

F. Below the 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.

G. The bottom of the sign shall have the following words, “New Mexico Only: This 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 87504. To report any unresolved problems or complaints, contact the division by telephone number (505) 476-4885 or visit the website: www.rld.nm.gov/financial-institutions/.”

[12.18.4.8 NMAC - N, 10/1/2001; A, 08/13/2004; A, 09/15/2018; A, 03/29/2023]

HISTORY OF 12.18.4 NMAC:

12.18.4 NMAC - Mandatory Signage For All Small Loan Companies, part name was changed by amendment to 12.18.4 NMAC - Mandatory Signage For Small Loan Businesses, effective 03/29/2023.