

This rule was filed as 12 NMAC 15.2.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 15 FINANCIAL INSTITUTIONS - GENERAL
PART 2 APPROVAL OF FORMS FOR DISCLOSURE OF INFORMATION BY LENDERS AND CREDITORS

12.15.2.1 ISSUING AGENCY: Financial Institutions Division, Regulation and Licensing Department, 725 St. Michael's Drive, Santa Fe, New Mexico 87504. Telephone No. (505) 827-7100
[7/1/81; 8/30/97; Recompiled 10/15/01]

12.15.2.2 SCOPE: All banks chartered by the state of New Mexico.
[8/30/97; Recompiled 10/15/01]

12.15.2.3 STATUTORY AUTHORITY:

A. This approval of forms is issued pursuant to the authority granted to the financial institutions division by New Mexico Laws 1981, Chapter 263.

B. This part is issued pursuant to the authority granted by the banking laws of the state of New Mexico Sections 58-1-1 through 58-9-13 NMSA 1978, the savings and loan laws of the state of New Mexico Sections 58-10-1 through 58-10-111 NMSA 1978, the small loan company (consumer finance company) laws of the state of New Mexico Sections 58-15-1 to 58-15-31 NMSA 1978, the credit union laws of the state of New Mexico Sections 58-11-1 to 58-11-33, and pursuant to the New Mexico Bank Installment Loan Act Section 58-7-9 NMSA 1978, the Residential Home Loan Act, Sections 56-8-27 NMSA 1978, and the specific authority granted by Sections 58-1-5, 58-1-32, 58-1-54, 58-7-9 and 58-11-6 NMSA 1978.

[7/1/81; 8/30/97; Recompiled 10/15/01]

12.15.2.4 DURATION: Permanent.

[8/30/97; Recompiled 10/15/01]

12.15.2.5 EFFECTIVE DATE: July 1, 1981, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC format effective August 30, 1997.

[7/1/81; 8/30/97; Recompiled 10/15/01]

[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

12.15.2.6 OBJECTIVE: The objective of this part is to establish uniform disclosures, for all lenders supervised by the financial institutions division which represent the major portion of the credit granting industry in this state, in order to reduce the administrative burden upon the financial institutions division insofar as possible in reviewing forms for approval and, more importantly, to standardize disclosures to better protect the public through a greater understanding of the disclosure requirements.

[7/1/81; 8/30/97; Recompiled 10/15/01]

12.15.2.7 DEFINITIONS: [RESERVED]

[8/30/97; Recompiled 10/15/01]

12.15.2.8 RESERVE REQUIREMENTS:

A. In reviewing the disclosures required by New Mexico Laws 1981, Chapter 263, Section 2A, and in reviewing the requirements for disclosure under the federal Truth in Lending Act, Title 15 U.S.C. Section 1601 *et seq.* and Regulation Z issued pursuant thereto, the financial institutions division finds that there are some inconsistencies in disclosure requirements between state and federal law. In order to standardize and make the disclosures as uniform as possible, the financial institutions division, pursuant to New Mexico Laws 1981, Chapter 263, Section 2D, which states in pertinent part: "...any form which is in compliance with federal law regarding disclosure of information by creditors to borrowers, such as the federal Truth in Lending Act, shall be deemed to be in compliance with Subsection A of this section." hereby approves any and all disclosure forms currently in use or subsequently adopted by lenders or credit sellers regulated by the financial institutions division provided the forms

meet the standards for disclosure set forth in the federal Truth in Lending Act and Regulation Z, as amended from time to time. If a credit sale or a loan is exempt from the federal Truth in Lending Act and Regulation Z, the disclosure of information by a creditor which would otherwise comply with the federal Truth in Lending Act and Regulation Z shall be deemed to comply with the disclosures required by Section 2A of New Mexico Laws 1981, Chapter 263.

B. The financial institutions division finds that it is in the public health, peace, safety and welfare for the public and borrowers in the state to have uniform disclosures in order to promote a better understanding and knowledge of the cost of borrowing. Therefore, to avoid inconsistency and to promote uniformity in disclosures the financial institutions division hereby adopts the standards for disclosure of the federal Truth in Lending Act and Regulation Z, as amended from time to time, in accordance with New Mexico Laws 1981, Chapter 263, Section 2D for business, commercial and agricultural loans or credit sales of \$50,000.00 or less and henceforth will require all lenders and credit sellers supervised by the financial institutions division to meet the above described disclosure standards. Use of those standards will be deemed to comply with New Mexico Laws 1981, Chapter 263, Section 2D.

[7/1/81; 8/30/97; Recompiled 10/15/01]

HISTORY OF 12.15.2 NMAC:

Pre-NMAC History. The material in this part was derived from that previously filed with the State Records Center under:

FID Regulation 81-1 (FID 81-4), Approval of Forms for Disclosure of Information by Lenders and Creditors, filed 6/24/81.

History of Repealed Material: [RESERVED]