

This rule was filed as FID Regulation Number 87-3.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 16 BANKING
PART 66 INTERPRETIVE REGULATION - EXTENSION AGREEMENTS WITH RESPECT TO
PRECOMPUTED LOAN TRANSACTIONS

12.16.66.1 ISSUING AGENCY: Regulation and Licensing Department, Financial Institutions Division.
[3/16/87; Recompiled 10/15/01]

12.16.66.2 SCOPE: The regulation is applicable to Section 58-7-3.2 NMSA 1978 and is proposed to read as follows:
[3/16/87; Recompiled 10/15/01]

12.16.66.3 STATUTORY AUTHORITY: The director of the financial institutions division hereby issues an interpretive regulation pursuant to the authority granted by Section 58-7-9E NMSA 1978, after receiving and considering comments from interested parties to whom this regulation is being submitted.
[3/16/87; Recompiled 10/15/01]

12.16.66.4 DURATION: [Permanent.]
[3/16/87; Recompiled 10/15/01]

12.16.66.5 EFFECTIVE DATE: This regulation becomes effective March 16, 1987 [filed March 18, 1987].
[3/16/87; Recompiled 10/15/01]

12.16.66.6 OBJECTIVE: [RESERVED]
[3/16/87; Recompiled 10/15/01]

12.16.66.7 DEFINITIONS: [RESERVED]
[3/16/87; Recompiled 10/15/01]

12.16.66.8 INTERPRETIVE REGULATION:

A. All extension agreements with respect to precomputed loan transactions subject to the Bank Installment Loan Act shall be governed by this regulation.

B. In computing the charge for extending (deferring) monthly installments:

(1) a rebate shall be computed as if the entire loan were being prepaid pursuant to Section 58-7-5 NMSA 1978 and deducted from the existing loan balance;

(2) the remainder shall be multiplied by one-twelfth of not more than the original annual percentage rate of the loan;

(3) the product shall be multiplied by the number of months or portion thereof by which payments will not be made;

(4) the result of these calculations is the amount to be charged to the borrower as a deferral fee; then

(5) the amount of the rebate computed in (1) shall be added back to the loan.

James W. Stretz, Director.

[3/16/87; Recompiled 10/15/01]

HISTORY OF 12.16.66 NMAC:

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

Regulation No. 87-3, Interpretive Regulation, filed 3/18/87.

History of Repealed Material: [RESERVED]