**This is an amendment to 12.18.4 NMAC, title of part, and Sections 2, 6, 7, and 8, effective XX/XX/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 [~~the State of~~] New Mexico.

[12.18.4.2 NMAC - N, 10/1/2001, A, XX/XX/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~~] loan rates and fees to assist consumers in the loan decision process.

[12.18.4.6 NMAC - N, 10/1/2001, A XX/XX/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.~~] **“Annual Percentage Rate”** or **“APR”** means the measure of the cost of credit, expressed as a yearly rate.

[**~~B.~~****~~“Payday”~~** ~~loan means a loan where the business operator cashes a personal check tendered by the customer and agrees in writing to defer presentment of that check until the customer’s next payday, or another date agreed to by the business operator and the customer.~~]

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

**12.18.4.8 MANDATORY SIGNAGE FOR [~~PAYDAY LENDERS AND TITLE~~] 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~~] range of the annual percentage rates 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~~] shall be easily assessable to consumers to review on all websites, social media pages, and mobile applications operated by a licensed small loan company.

 **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 FEE.”

 **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~~] 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~~] schedule [~~must~~] shall consist of two distinctive sections. Each section must have the following headings starting from left to right. The borders for the first two 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.

 **(a)** The heading shall be followed with a table disclosing the lowest and highest annual percentage rates for each loan product type offered.

 **(b)** Below the preceding table 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.”

 **(c)** 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”~~]“FEES” followed by the words [~~in 14-point font, “The dollar amount the credit will cost you.”~~] “A list of all additional 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 for 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 name, address, [~~and~~] 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 8750[~~5~~]4[~~,~~]. 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, XX/XX/2018]