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FISCAL IMPACT REPORT

SPONSOR: Garcia, M.P. DATE TYPED: 03/05/01 HB 280/aHAFC
 SHORT TITLE: Interest Rates for Motor Vehicle Loan SB _____
 ANALYST: Eaton

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|------|----------------------------|-------------------------|------------------|
| FY01 | FY02 | | | |
| | NFI | | | |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Attorney General's Office
 The Financial Institutions Division of the Regulation and Licensing Department (RLD) report had not been received prior to the writing of this report.

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment excludes the limitation on interest rates for retail installment contracts and loans made by a national bank, state bank, savings and loan association or credit union.

The sections relating to finance charge limitations and penalty provisions are also removed.

Synopsis of Original Bill

This bill adds a new section (56-8-11 NMSA 1978) limiting the maximum interest rate on the secured sale of a motor vehicle to the higher of 18% or the published prevailing discount rate plus 5 percent. This section does not apply to business or commercial vehicles over 10,000 gross weight.

FISCAL IMPLICATIONS

Unknown.

JBE/ar