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HOUSE BILL 14

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Thomas A. Anderson

AN ACT

RELATING TO TRADE PRACTICES; ENACTING A NEW SECTION OF THE
UNFAIR PRACTICES ACT ON MISLEADING EXTENSION OF CREDIT.

ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Unfair Practices Act is
enacted to read:

"[NEW MATERIAL] PRE-APPROVED LOAN CHECKS--MISLEADING
EXTENSION OF CREDIT.--

A. Extending pre-approved credit with a bank check
without adequate notification that it is a loan constitutes a
misleading extension of credit and is an unfair and deceptive
trade practice. A clear and prominent notice, including an
explanation of interest due and the other terms of the credit,
accompanying an extension of pre-approved credit is not a
misleading extension of credit.

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B. As used in this section, "adequate notification" means the printing of the word "loan" in large, legible letters, at least five times larger than the next smaller letters printed on the check, prominently displayed on the front of the bank check instrument."