

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE MEMORIAL 7

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Patricia Roybal Caballero

A MEMORIAL

REQUESTING THE DIRECTOR OF THE STATE PERSONNEL OFFICE TO
CONDUCT A STUDY AND A SURVEY TO DETERMINE THE FEASIBILITY OF
PROVIDING LOW-COST SMALL LOANS TO STATE EMPLOYEES.

WHEREAS, nearly seven hundred small loan licensees operate
in New Mexico, charging interest rates averaging about three
hundred percent; and

WHEREAS, two separate studies by public policy polling and
by researchers at the university of New Mexico indicate that
about one-fourth of adults in New Mexico have patronized these
small loan lenders; and

WHEREAS, credit counseling and legal aid providers report
that lower- and middle-level government employees are common
users of small loans from lenders that charge extremely high
interest rates; and

underscored material = new
~~[bracketed material] = delete~~

underscoring material = new
[bracketed material] = delete

1 WHEREAS, surveys of local government workers by the city
2 of Las Cruces and Dona Ana county confirm that about twenty
3 percent of their employees use high-interest small loan
4 services; and

5 WHEREAS, employers in at least five states, including
6 banks and municipalities, have successfully offered affordable
7 small loan services through employee benefits packages; and

8 WHEREAS, these turnkey small loan services offered as
9 employee benefits save consumers an average of two hundred
10 thirty dollars (\$230) per month in finance fees on a one-
11 thousand-dollar (\$1,000) loan; and

12 WHEREAS, employee-benefit small loan program vendors
13 provide reporting to build credit scores that most small
14 lenders ignore; and

15 WHEREAS, these employee-benefit small loan programs do not
16 require employers to provide loan capital or assume loan loss
17 risk; and

18 WHEREAS, employee-benefit small loan programs provide
19 loans without a credit check and provide quick access to funds
20 in the same way that small loan stores do, yet employee-benefit
21 small loan programs have default rates of only one to two
22 percent; and

23 WHEREAS, these employee-benefit small loan programs can be
24 provided at little or no cost to the state of New Mexico; and

25 WHEREAS, easing financial pressures at home can improve an

underscoring material = new
~~[bracketed material] = delete~~

1 employee's personal life and result in more focused and
2 productive performance in the workplace; and

3 WHEREAS, it is in the best interests of the state of New
4 Mexico that its employees be provided with the most attractive,
5 cost-effective benefits package possible in order to attract
6 and keep employees of the highest quality;

7 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
8 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the director of
9 the state personnel office be requested to conduct a poll of
10 all state employees using an electronic-mail survey to learn
11 the following:

12 A. how many state employees use loans from small
13 loan licensees and internet sources;

14 B. how often state employees use these small loan
15 licensees;

16 C. the identity of the small loan licensees that
17 state employees use; and

18 D. whether the state employees surveyed would like
19 to have a low-cost small loan program available as an employee
20 benefit; and

21 BE IT FURTHER RESOLVED that the director of the state
22 personnel office be requested to study the feasibility of
23 including a low-cost loan program among state employee
24 benefits, identifying those small loan programs that have
25 served at least three public sector employers and the

.202632.2

underscoring material = new
~~[bracketed material]~~ = delete

1 advantages and drawbacks of using each of those small loan
2 programs; and

3 BE IT FURTHER RESOLVED that the director of the state
4 personnel office be requested to report the findings of the
5 study and survey conducted pursuant to this memorial to the
6 governor and to the legislative finance committee by November
7 1, 2016; and

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 transmitted to the governor, the director of the state
10 personnel office and the director of the legislative finance
11 committee.