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FISCAL IMPACT REPORT

SPONSOR Cervantes LAST UPDATED _____
ORIGINAL DATE 02/28/23
BILL _____
SHORT TITLE Balance Info to Certain Borrowers BILL NUMBER Senate Bill 472
ANALYST Hitzman

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Senate Bill 472

Senate Bill 472 (SB472) amends New Mexico statute relating to financial institutions and regulations to specify that no lender shall refuse to provide a borrower with a quote of the outstanding balance of a loan or charge the borrower a penalty or fee for obtaining a quote of the outstanding balance. This also applies to small loans, home loans, and retail installment contracts.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

The bill does not contain an appropriation and will not result in an additional fiscal impact to the state or its agencies. For instance, the Mortgage Finance Authority does not estimate any additional fiscal or administrative impacts resulting from this bill.

Further, it is unclear in what cases there would have previously been a fee or penalty charged; however, it is likely this will result in some potential savings to borrowers who previously would have been charged a fee or penalty for requesting outstanding balance information.

SIGNIFICANT ISSUES

The bill provides for increased consumer protections and transparency among borrowers by requiring creditors, licensees, and other types of lenders to provide balance information to borrowers at no cost. However, it may be a small increased burden on those creditors to provide that information free of charge if they do not already do so.

JH/rl/hg