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**CONSUMER ADVISORY** – March 3, 2022

Center for Economic Integrity

**New Mexico**

*The SW Center for Economic Integrity is delighted to pass along this media announcement for New Mexico. Our heartfelt congratulations to all of the many consumer advocates and organizations who have worked on this issue in New Mexico for decades. This is truly a watershed moment for New Mexico residents.*

*The SW Center worked with our partners in Gallop to raise awareness about this issue as part of a broader national campaign during the Consumer Financial Protection Bureau's Payday Lending Rule making process. Many thanks to Mikki Anaya and Anna Rondon for their leadership in raising community awareness.*

## **Governor caps interest rates on storefront loans**

**SANTA FE** – Gov. Michelle Lujan Grisham on Tuesday (March 1), signed House Bill 132, reforming predatory lending practices by lowering the cap on small loan interest rates from 175% to 36%.

“As we continue to grow our economy and create quality jobs for New Mexicans across the state, protecting New Mexico consumers remains critically important,” said **Gov. Lujan Grisham**. “After many years of effort by advocates and legislators, I am glad to finally sign this legislation into law and deliver common-sense protections to vulnerable New Mexicans in rural and urban communities statewide.”

Sponsored by Rep. Susan Herrera, Speaker of the House Brian Egolf, Rep. Joy Garratt, Rep. Phelps Anderson, and Rep. Daymon Ely, the legislation enacts a 36% maximum rate of interest chargeable under the New Mexico Bank Installment Loan Act of 1959 and the New Mexico Small Loan Act of 1955, limiting such loans to the same maximum annual percentage permitted by the U.S. Department of Defense for active-duty members of the military. The legislation also increases the maximum loan size from \$5,000 to \$10,000.

“This bill signifies an end to crippling loans that harm New Mexican families,” said **Rep. Susan Herrera**.

“This is going to make a real difference in the lives of New Mexicans who struggle to make ends meet. By capping these interest rates, we can stop the debt trap and help more families get ahead,” said **Speaker Egolf**. “This historic achievement is the result of years of hard work by Representative Herrera and other champions of our working families.”

“The success of this bill exemplifies excellent leadership, from advocates across the state and from legislators,” said **Sen. Katy Duhigg**, Senate floor sponsor. “I am proud to have helped get this measure across the finish line and make a real difference for New Mexicans.”