

Acceleration: permitted at lender's option. (Sec. 17:9A-59.32) *Security*: loan may be secured by an interest in real or personal property or both. (Sec. 17:9A-59.32) *Other*: each loan must be evidenced by a note equal to the sum borrowed plus the amount of finance charge; (Sec. 17:9A-59.28) but, the note must not provide power of attorney to confess judgment or for acceleration because the holder deems itself insecure. (Sec. 17:9A-59.37)

SALES FINANCE COMPANY LOANS, CHAPTER 16 C; SEC. 40.1, as added by laws 1961, Ch. 95

Lenders.—Sales finance companies licensed under the Retail Instalment Sales Act (see "New Jersey" Division ¶ 531, Volume 2 of the GUIDE).

Maximum Loan.—\$4,000 secured by a purchase money chattel mortgage.

Interest Charges.—5% per annum upon the full amount of the loan for the entire period; may be charged in advance.

Maximum Time.—36 months.

Payments and Refunds.—*Installments*: substantially equal and monthly.

Prepayment: no special provisions.

Special Charges.—No special provisions.

Disclosure.—No special provisions.

Penalty For Excessive Interest.—No special provisions.

Miscellaneous Provisions.—The loan must be used by a retail buyer to finance the purchase of a passenger motor vehicle not intended to be used for the transportation of passengers for hire or upon a contract basis.

NEW MEXICO

References are to Statutes Annotated 1953, Chapter 48, Art. 21, Secs. 1-10, as added by Laws 1959, Ch. 327; as amended

Lenders.—State banks and national banks located in and authorized to do business in the state, any licensee as defined in the New Mexico Small Loan Act of 1955 or any sales finance company as defined in the Motor Vehicle Sales Finance Act. (Sec. 48-21-2, as amended by Laws 1967, Ch. 106, approved March 16, 1967, effective June 16, 1967.)

Maximum Loan.—No special provisions.

Interest Charges.—\$7 per \$100 a year upon original amount of loan for entire period of loan; may be added to principal. Minimum charge of \$10, or \$2 a month for period of loan, whichever is greater. (Sec. 48-21-4, as amended by Laws 1967, Ch. 41, approved March 4, 1967, effective June 16, 1967.)

Maximum Time.—No special provisions.

Payments and Refunds.—*Installments*: substantially equal. (Sec. 48-21-3, as amended by Laws 1961, Ch. 215) **Prepayment**: allowed at any time; refund credit computed in accordance with "rule of 78"; minimum refund is \$1. (Sec. 48-21-5)

Special Charges.—*Delinquency*: \$.05 for each \$1 of each instalment over 15 days in default; may be added to balance due; total such charge is \$5; only one charge per instalment. *Collection*: actual costs may be added to balance due, including reasonable attorneys' fees paid to an attorney who is not an employee of the holder of the loan contract. *Insurance Premiums*: actual cost of insurance, provided that the borrower may procure his own insurance. *Investigation*: no provision. *Other*: if collateral on a secured loan subsequently becomes subject to a lien superior to the lender's lien, the lender may pay the levy and add such costs to the balance due; filing, recording and releasing fees. No other charges permitted. (Sec. 48-21-6)

Disclosure.—No special provisions.

Penalty For Excessive Interest.—Knowingly charging excessive interest results in a forfeiture of all interest charges, and if the charges have been paid, the borrower can recover twice the amount of the rate of charge within 2 years from the time of the transaction. Willful violation is a misdemeanor punishable by fine and/or imprisonment. (Sec. 48-21-9)

Miscellaneous Provisions.—*Insurance*: can not be required to be procured through a particular broker, agent or insurer as a condition precedent to making the loan; borrower may procure his own insurance. (Sec. 48-21-6) *Acceleration*: no provision. *Security*: no provision. *Other*: lender cannot make a loan under this act to a borrower who is also indebted to him under the small loan law unless the loan made under the small loan law is paid and released at the time the loan is made (Sec. 48-21-8, as last amended by Laws 1967, Ch. 106, approved March 16, 1967, effective June 16, 1967.)