



FOR IMMEDIATE RELEASE

January 17th, 2022

Contact: Kathleen Sabo, Executive Director, 505-274-2442 or ksabo@nmethicswatch.org

**New Mexico Ethics Watch Announces New Report on
Influence of the Small Loan Industry in New Mexico**

Noting the millions of dollars of interest paid, the harm to credit ratings, and the potential for contributing to the ongoing poverty status of some of the most vulnerable New Mexicans, today New Mexico Ethics Watch released its detailed report on storefront lending, *The Big Interest in Small Loans*.

Joining the groundswell of support for instituting a 36 percent interest rate cap on small installment loans, New Mexico Ethics Watch is calling for the governor to send a message allowing/put on her call small loan interest rate legislation during the upcoming 2022 legislative session, beginning on Tuesday, January 18.

During the 2021 legislative session, SB 66, sponsored by Sens. Soules and Duhigg, and initially seeking to reduce the allowable interest rate for loans under the Bank Installment Loan Act and the Small Loan Act from 175 percent to 36 percent, made it through both chambers. The bill, however, did not get to a conference committee before time ran out in the session.

Using campaign finance data from the New Mexico Secretary of State's Office as detailed in the Campaign Finance Information System, New Mexico Ethics Watch reports on the amounts small loan companies and the lobbyists they employ have contributed to candidates and PACs. Among other findings, the data demonstrates that those House members voting "Yes" on the amended SB 66 that would have provided for an interest rate cap of 99 percent for loans of \$1,100 or less received contributions from the industry's lobbyists during the 2020 election cycle at nearly a two to one margin to those voting "No."

"Admittedly, the contribution amounts received pale in comparison to those made by other industries, but the industry has marshalled a corps of influential lobbyists to spread its messaging," said New Mexico Ethics Watch executive director Kathleen Sabo. "Though the messaging has been compelling and emotional, at times, evidence from other states and trusted sources demonstrates that New Mexicans will benefit from an interest rate cap that aligns New Mexico more closely with other states that have enacted reform."

Sabo co-authored the report with New Mexico Ethics Watch's Samuel Hatch, Tony Ortiz and Steve Terrell.

“So near and yet so far...” begins the report’s introduction. New Mexico Ethics Watch believes it is time to leverage the big interest in small loans to bring relief to those New Mexicans dependent upon small loans for their financial benefit. The organization recommends that the legislature pass small loan interest rate cap legislation during the 2022 legislative session.

The full report and additional resources can be found on the NM Ethics Watch website.

[Read the full report](#)

...

New Mexico Ethics Watch is a nonprofit, nonpartisan organization and a principal leader in ethics reform in New Mexico. Our values are that ethics is for everyone; that good government leads to improved schools, healthier communities, and better business, and attention to ethics in public life leads to more equitable opportunities for all.

Please subscribe to NMEW’s social media pages for news and breaking alerts:

Facebook: [@NMEthicsWatch](#) Twitter: [@NMEthicsWatch](#)