



May 7, 2020

Christopher Moya
Director of Financial Institutions
New Mexico Regulation and Licensing Department
P.O. Box 25101
Santa Fe, NM 87504

Re: May 2 Guidance Concerning Public Health Emergency Order

Dear Mr. Moya:

I write on behalf of the American Financial Services Association (AFSA)¹ regarding the New Mexico Regulation and Licensing Department Financial Institutions Division May 2 memo to licensed small loan companies addressing the governor's April 30th public health order. The May 2 memo states that non-bank financial services businesses are prohibited from providing curbside services—even though retailers in the state are now permitted to do so per the April 30th order.

As the COVID-19 pandemic continues to cause economic hardship for millions of Americans, access to safe and affordable credit is more important than ever. New Mexico is the **only state in the Union** that currently has restrictions in place **prohibiting the operation of non-bank financial services**. Forty-eight states and the federal government have recognized the essential role non-bank financial services providers play in times of crisis and have exempted these companies from stay-at-home orders for anywhere from weeks to nearly two months. The only other state that didn't declare non-bank creditors essential has started to reopen closed businesses. We believe that continuing to restrict non-bank financial services will inadvertently compound the economic hardship facing hard-working individuals and families in New Mexico.

We wholeheartedly support New Mexico's goal of protecting its residents by limiting personal interaction as much as possible. We believe that this goal can be achieved without impeding an individual's ability to access safe and affordable credit by following proper social distancing guidelines. We note that the new provisions allowing curbside retail applies to companies such as clothing stores and sporting goods stores.

We are confused that during a time of unprecedented financial hardship, the state has determined purchasing clothing at a department store to be more essential than servicing a loan

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance. AFSA members do not provide payday or vehicle title loans.

or accessing safe and affordable credit.

We also note that in terms of social distancing, non-bank financial institutions are as safe as banks and credit unions—financial institutions New Mexico has deemed essential since the beginning of this crisis. As such, we are left with no alternative than to believe New Mexico views our non-bank members' credit as inferior to our bank members' credit. While that may be the opinion of some (and we wholeheartedly disagree), we note that the job of the state in these circumstances is not to pick winners and losers among financial institutions, but to protect the physical wellbeing of New Mexicans, which can be done with curbside credit services as well as can be done with curbside retail purchases.

We respectfully urge the department to reconsider this prohibition and allow non-bank financial services providers to provide limited curbside services. We thank you sincerely for your urgent attention to this matter. If you have any questions, or if AFSA can be of assistance to you in any way, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517