



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 11, 2017

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 503, an Act providing for the deferral of unpaid installments and deferral charges for certain interest-bearing consumer credit transactions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad
Governor

cc: Secretary of the Senate
Clerk of the House



Senate File 503

AN ACT

PROVIDING FOR THE DEFERRAL OF UNPAID INSTALLMENTS AND DEFERRAL CHARGES FOR CERTAIN INTEREST-BEARING CONSUMER CREDIT TRANSACTIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 537.2503, subsection 1, Code 2017, is amended to read as follows:

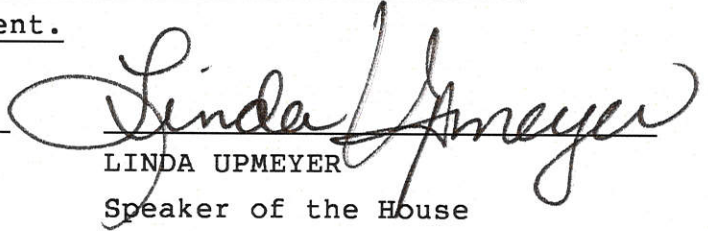
1. a. Before or after default in payment of a scheduled installment of a precomputed consumer credit transaction, the parties to the transaction may agree in writing to a deferral of all or part of one or more unpaid installments and the creditor may make at the time of deferral and receive at that time or at any time thereafter a deferral charge which is not in excess of one and one-half percent per month for the period of time for which it is deferred, but not to exceed the rate of finance charge which was required to be disclosed in the transaction to the consumer pursuant to section 537.3201 applied to each amount deferred for the period for which it is deferred. In computing a deferral charge for one or more months, any month may be counted as one-twelfth of a year and in computing a deferral charge for part of a month, a day shall be counted as one three hundred sixty-fifth of a year.

b. With respect to an interest-bearing consumer credit transaction not pursuant to an open-end credit arrangement and other than a consumer lease or consumer rental purchase agreement, the parties to the transaction may agree in writing

to a deferral of all or part of one or more unpaid installments
in addition to any interest accrued pursuant to the terms of
the consumer credit transaction. The creditor may make at
the time of deferral and receive at that time or at any time
thereafter a deferral charge which shall not exceed thirty
dollars per deferred installment.




JACK WHITVER
President of the Senate



LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 503, Eighty-seventh General Assembly.



W. CHARLES SMITHSON
Secretary of the Senate

Approved May 11, 2017



TERRY E. BRANSTAD
Governor