

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
IOWA DIVISION OF BANKING AMENDMENTS  
TO IOWA CODE CHAPTER 535B  
11/20/23**

**1. Summary of Proposal**

This proposal summarizes the Iowa Division of Banking’s (IDOB) proposed amendments to Iowa’s mortgage banking statute, Iowa Code chapter 535B. The proposal encompasses three broad policy points: adding provisions authorizing and governing remote work by employees of mortgage banking licensees, adopting prudential standards for large non-depository mortgage loan servicers, and harmonizing Iowa law’s reporting requirements for mortgage escrow accounts with applicable federal law.

With respect to remote work, Items 1-3 add new definitions of “branch office”, “principal place of business”, and “remote location” that are necessary to implement the new remote work provisions. Items 4-6 and Item 9 make conforming changes to implement the new definitions elsewhere in chapter 535B. Finally, Item 14 adds substantive provisions related to remote work by employees of licensees.

Items 7-8 address the harmonization of Iowa law and federal law with respect to escrow reporting requirements. Item 7 strikes an enumerated list of specific requirements for annual escrow analysis reports licensees have to provide to borrowers and adds references to applicable provisions of the C.F.R. that harmonize these requirements with those applicable under federal law. Item 8 also harmonizes the timeline for providing a payoff statement to mortgagors upon request with the applicable federal requirement, which is included by reference to the C.F.R.

Finally, for the prudential standards for non-depository mortgage servicing licensees, these are implemented in Items 10-13. Item 10 adds new definitions applicable to these prudential standards provisions. Item 11 addresses the applicability of these new provisions, and Items 12-13 adopt substantive provisions. Specifically, Item 12 enacts requirements for the financial condition of covered licensees and Item 13 adopts baseline standards of corporate governance for the same covered licensees.