

14 5. Honor any valid notice of cancellation by a buyer and within ten
 15 business days after the receipt of notice shall refund all payments made
 16 under the contract or sale, return any goods or property traded in,
 17 in substantially as good condition as when received by the seller, and
 18 cancel and return any negotiable instrument executed by the buyer in
 19 connection with the contract or sale and take any action necessary or
 20 appropriate to terminate promptly any security interest created in the
 21 transaction.

22 6. Not negotiate, transfer, sell, or assign any note or other evidence
 23 of indebtedness to a finance company or other third party prior to
 24 midnight of the seventh business day following the day the contract
 25 was signed or the goods or services were purchased.

26 7. Within ten business days of receipt of the buyer's notice of can-
 27 cellation notify him whether the seller intends to repossess or to
 28 abandon any shipped or delivered goods.

1 SEC. 5. NEW SECTION. Effect on indebtedness. Rescission of
 2 any contract pursuant to this Act or the failure to provide a copy of
 3 the contract to the buyer as required by this Act shall void any con-
 4 tract, note, instrument, or other evidence of indebtedness executed or
 5 entered into in connection with the contract and shall constitute a
 6 complete defense in any action based on the contract, note, instrument
 7 or other evidence of indebtedness brought by the seller, his successors
 8 or assigns unless a successor or assignee of the seller after the seventh
 9 business day following the day the contract was signed has detrimen-
 10 tally relied upon a representation of the buyer that the contract has not
 11 been rescinded. This section shall not affect the rights of holders in
 12 due course of checks made by the buyer.

1 SEC. 6. NEW SECTION. Penalty. Any seller who violates the
 2 provisions of this Act shall be guilty of a misdemeanor.

Approved May 15, 1973.

CHAPTER 292

OBSOLETE REFERENCE CORRECTED

H. F. 198

AN ACT to correct an obsolete reference in section seven hundred forty point thirteen (740.13) of the Code.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section seven hundred forty point thirteen (740.13),
 2 Code 1973, is amended to read as follows:

3 **740.13 Solicitation for political purposes.** It shall be unlawful for
 4 any person or political organization either directly or indirectly to
 5 solicit or demand from ~~any member of the board of control~~ or any
 6 employee of any commission, board or agency created under the stat-
 7 utes of Iowa, any contribution of money or any other thing of value
 8 for election purposes or for the purpose of paying expenses of any
 9 political organization or any person seeking election to public office.

Approved April 6, 1973.