

## CHAPTER 1218

## CREDIT UNION LOAN TO ITS DIRECTOR

H. F. 1226

AN ACT relating to loans made by a credit union to its director.

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

1 SECTION 1. Section five hundred thirty-three point sixteen (533.16),  
2 unnumbered paragraph one (1), Code 1975, as amended by Acts of the Sixty-sixth  
3 General Assembly, 1975 Session, chapter two hundred forty-one (241), section ten  
4 (10), is amended to read as follows:

5 A credit union may loan to members. Loans must be for a provident or  
6 productive purpose and are made subject to the conditions contained in the  
7 bylaws. A borrower may repay his loan in whole or in part any day the office of  
8 the credit union is open for business. A director of a credit union may borrow  
9 from that credit union under the provisions of this chapter, but the loan shall not  
10 be made on terms more favorable than those extended to other members ~~and~~  
11 ~~shall be made only after the.~~ *A director of a credit union may borrow from that*  
12 *credit union to the extent and in the amount of such director's holdings in the credit*  
13 *union in shares and deposits. A director desiring to borrow from the credit union an*  
14 *amount in excess of the director's holdings in shares and deposits shall first submit*  
15 *application for approval by the board of directors at a regular or special meeting.*  
16 The director making application for the loan shall not be in attendance at the  
17 time the board of directors considers ~~his the~~ application and shall not take part in  
18 the consideration. ~~The loan shall be made only if the director has submitted~~ *Prior*  
19 *to consideration of such loan, the director must have submitted to the board a detailed*  
20 *current financial statement. The aggregate amount of director loans shall not*  
21 *exceed twenty percent of the assets of the credit union. Loans secured by a*  
22 *mortgage or deed of trust upon real property may be made only on*  
23 *unencumbered property located in Iowa and in bordering counties of adjacent*  
24 *states and every such loan shall comply with one of the following conditions:*

Approved April 26, 1976

## CHAPTER 1219

## ACCOUNTING IN STATE AUDITOR'S OFFICE

H. F. 114

AN ACT to modify certain accounting procedures of the office of auditor of state.

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

1 SECTION 1. Section five hundred thirty-four point forty-one (534.41),  
2 subsection five (5), Code 1975, is amended to read as follows:

3 5. Expenses and per diem. Where the examination is made under the provisions  
4 of subsection 3 of this section, each examiner shall file with the auditor of state  
5 an itemized, certified and sworn voucher of his expense for the time such  
6 examiner is actually engaged in such examination. On the fifteenth and last days  
7 of each month each examiner shall file in triplicate with the auditor of state a  
8 certified statement of the actual days engaged in such examination. The salaries

9 shall be included in a semimonthly payroll. Upon approval of the auditor of state  
 10 the state comptroller is hereby authorized to issue warrants for the payment of  
 11 said vouchers, and salary payments, other than vacation or sick leave salaries,  
 12 including a prorated amount for vacation and sick leave, from funds appropriated to  
 13 the savings and loan division revolving fund. Repayment to the state shall be made  
 14 as provided by section 534.61, subsection 4.

Approved April 19, 1976

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## CHAPTER 1220

### SECURITIES ON CREDIT—INTEREST RATE

S. F. 503

AN ACT relating to the maximum interest rate payable by persons purchasing securities on credit.

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

1 SECTION 1. Section five hundred thirty-five point two (535.2), subsection two  
 2 (2), Code 1975, is amended to read as follows:  
 3 2. Any domestic or foreign corporation or real estate investment trust as  
 4 defined in section 856 of the Internal Revenue Code, and any person purchasing  
 5 securities as defined in chapter five hundred two (502) of the Code on credit from a  
 6 broker or dealer registered or licensed under chapter five hundred two (502) of the  
 7 Code or under the Security Exchange Act of 1934, 48 Stat. 881, 15 United States  
 8 Code 78A, as amended, may agree in writing to pay any rate of interest in excess  
 9 of the rate prescribed in subsection 1 hereof, and no such corporation or real  
 10 estate investment trust or person so agreeing in writing shall plead or interpose the  
 11 claim or defense of usury in any action or proceeding.

Approved May 11, 1976

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## CHAPTER 1221

### CONSUMER CREDIT

H. F. 1512

AN ACT relating to the Iowa consumer credit code.

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

1 SECTION 1. Section five hundred thirty-seven point one thousand three  
 2 hundred one (537.1301), subsection twenty-nine (29), paragraph d, Code 1975, is  
 3 amended to read as follows:  
 4 d. Either the consumer has the privilege of paying in full or in installments, or  
 5 the transaction is a consumer credit transaction solely because a delinquency charge  
 6 or the like is treated as a finance charge pursuant to subparagraph one (1) of  
 7 paragraph b of subsection twenty (20) of section five hundred thirty-seven point one  
 8 thousand three hundred one (537.1301) of the Code, or the creditor otherwise  
 9 periodically imposes charged\* charges computed on the account for delaying

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\*According to enrolled Act