

CHAPTER 1169
AGRICULTURAL LOANS INTEREST RATE

H. F. 2486

AN ACT to permit agricultural credit corporations to make agricultural purpose loans at interest rates in excess of the maximum rate permitted under section five hundred thirty-five point two (535.2) of the Code.

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

Section 1. Chapter five hundred thirty-five (535), Code 1979, is amended by adding the following new section:

NEW SECTION. LOANS BY AGRICULTURAL CREDIT CORPORATION.

1. An agricultural credit corporation, as defined in subsection four (4) of this section, may lend money pursuant to a written promissory note or other writing evidencing the loan obligation, at a rate of interest which is not more than four percentage points above the lending rate in effect at the federal intermediate credit bank of Omaha, Nebraska, for the month during which the writing evidencing the loan obligation is made, provided that the loan is for an agricultural production purpose as defined in subsection five (5) of this section and further provided that the loan would, but for this section, be subject to the maximum rate of interest prescribed by section five hundred thirty-five point two (535.2), subsection three (3), paragraph a, of the Code.

2. On or prior to the first day of each calendar month following the effective date of this Act, the superintendent of banking shall determine the maximum rate of interest which may be charged pursuant to subsection one (1) of this section on loans made by an agricultural credit corporation during that month, and shall cause the maximum rate to be published as soon after determination as possible, as a notice in the Iowa administrative bulletin or as a legal notice in a newspaper of general circulation published in Polk county. The maximum rate so determined shall be effective as provided in subsection one (1) of this section regardless of the date of publication of the notice, except that no agricultural credit corporation shall be found in violation of this chapter solely on account of having made a loan on or prior to the day on which a notice of a maximum rate is published as provided in this subsection, if the loan would have been lawful if made during the preceding calendar month.

3. This section does not prohibit an agricultural credit corporation from lending money as otherwise permitted by law.

4. As used in this section, "agricultural credit corporation" means a corporation which has been designated by the federal intermediate credit bank of Omaha, Nebraska, as an agricultural credit corporation eligible to sell or discount loans to that bank pursuant to the provisions of 12 United States Code, s. 2074.

5. As used in this section "agricultural production purpose" means a purpose related to the production of agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products thereof, and any and all products produced on farms.

Sec. 2. Chapter five hundred thirty-five (535), Code 1979, is amended by adding the following new section:

NEW SECTION. DEFINITION. As used in this chapter, unless the context otherwise requires, "agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

Sec. 3. Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), section two (2), subsection one (1), paragraph e, is amended to read as follows:

e. A person borrowing money or obtaining credit for business or agricultural purposes, or a person borrowing money or obtaining credit in an amount which exceeds thirty-five thousand dollars for personal, family or household purposes. As used in this paragraph, "agricultural purpose" means ~~and includes any of the purposes referred to in section five hundred thirty-seven point one thousand three hundred one (537.1301), subsection four (4) of the Code, but regardless of whether or not the activities described in that subsection are undertaken by a natural person or other entity as defined in section two (2) of this Act.~~

Sec. 4. Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), section eight (8), amending section five hundred thirty-five point eight (535.8), subsection two (2), Code 1979 Supplement, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This lettered paragraph applies only to a mortgage given in connection with a loan as defined in section five hundred thirty-five point eight (535.8), subsection one (1), Code 1979 Supplement.

Sec. 5. Section five hundred twenty-four point one hundred three (524.103), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. "Agricultural credit corporation" means as defined in section one (1), subsection four (4) of this Act.

Sec. 6. Sections two (2), three (3) and four (4) of this Act are retroactive to the effective date of Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), and shall be deemed to have been enacted as an integral part of that Act.

Sec. 7. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Jefferson Herald, a

newspaper published in Jefferson, Iowa and The Council Bluffs Nonpareil, a newspaper published in Council Bluffs, Iowa.

Approved May 19, 1980

I hereby certify that the foregoing Act, House File 2486, was published in The Jefferson Herald, Jefferson, Iowa on May 22, 1980, and in The Council Bluffs Nonpareil, Council Bluffs, Iowa on May 23, 1980 and republished on June 12, 1980.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 1170
INTEREST ON JUDGMENTS AND DECREES
H. F. 673

AN ACT increasing the amount of interest on money due on judgments and decrees of courts from seven to ten percent.

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

Section 1. Section five hundred thirty-five point three (535.3), Code 1979, is amended to read as follows:

535.3 INTEREST ON JUDGMENTS AND DECREES. Interest shall be allowed on all money due on judgments and decrees of courts at the rate of ~~seven-cents on-the-hundred-by-the-year~~ ten percent per year, unless a different rate is fixed by the contract on which the judgment or decree is rendered, in which case the judgment or decree shall draw interest at the rate expressed in the contract, not exceeding the maximum applicable rate permitted by the provisions of section 535.2, which rate must be expressed in the judgment or decree. The interest shall accrue from the date of the commencement of the action.

Sec. 2. This Act is effective January 1, 1981 and shall not apply to judgments rendered or decrees entered of record prior to that date.

Approved March 28, 1980