

CHAPTER 1235
ASSIGNMENTS OF INSTRUMENTS AND ACCOUNTS
H.F. 777

AN ACT relating to assignments of instruments and accounts.

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

Section 1. Section 539.1, Code 1981, is amended to read as follows:

539.1 ASSIGNMENT OF NONNEGOTIABLE INSTRUMENTS. Bonds, due bills, and all instruments by which the maker promises to pay another, without words of negotiability, a sum of money, or by which ~~he~~ the maker promises to pay a sum of money in property or labor, or to pay or deliver any property or labor, or acknowledges any money, labor, or property to be due, are assignable by endorsement ~~thereon on the instrument~~, or by other writing, ~~and the~~. The assignee shall have, including a person who takes assignment for collection in the regular course of business, has a right of action thereon on them in his the assignee's own name, subject to any defense or counterclaim which the maker or debtor had against any an assignor thereof of the instrument before notice of such the assignment. In case of conflict between this section and Uniform Commercial Code, sections 554.3805, 554.5116 or 554.9318, those sections control.

Sec. 2. Section 539.3, Code 1981, is amended to read as follows:

539.3 ASSIGNMENT OF OPEN ACCOUNT. An open account of sums of money due on contract may be assigned, ~~and the~~. The assignee will have, including a person who takes assignment for collection in the regular course of business, has a right of action thereon on the account in his the assignee's own name, subject to such the defenses and counterclaims as are allowed against the instruments mentioned in section 539.2, before notice of such the assignment is given to the debtor in writing by the assignee. In case of conflict Uniform Commercial Code, section 554.9318, controls.

Sec. 3. Section 631.14, Code 1981, is amended to read as follows:

631.14 REPRESENTATION IN SMALL CLAIMS ACTIONS. Actions constituting small claims may be brought or defended by an individual, partnership, association, corporation, or other entity. In actions in which a person other than an individual is a party, that person may be represented by an officer or an employee. A person who in the regular course of business takes assignments of instruments or accounts pursuant to chapter 539 which assignments constitute small claims may bring an action on an assigned instrument or account in the person's own name and need not be represented by an attorney. Any person, however, may be represented in small claims action by an attorney.

Approved May 12, 1982