

CHAPTER 1205
CHARGES BY INDUSTRIAL LOAN LICENSEES
S.F. 2232

AN ACT relating to charges by industrial loan licensees by authorizing industrial loan licensees to collect an appraisal fee on loans secured by a mortgage and requiring industrial loan licensees to pay interest on funds held in escrow in connection with a single-family or two-family home loan.

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

Section 1. Section 536A.20, subsection 3, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

A licensed industrial loan company may act as an escrow agent with respect to real property that is mortgaged to the licensed industrial loan company, and may receive funds and make disbursements from escrowed funds in that capacity. The licensed industrial loan company shall be deemed to be acting in a fiduciary capacity with respect to these funds. A licensed industrial loan company receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982 and before July 1, 1983 or on or after the effective date of this Act in connection with a loan defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds, calculated on a daily basis, at the lowest rate the company pays to holders of thrift certificates issued by the company. A licensed industrial loan company which maintains such an escrow account, whether or not the mortgage has been assigned to a third person, shall deliver to the mortgagor a written summary of all transactions made with respect to the loan and escrow accounts during each calendar year. However, the mortgagor and mortgagee may, by mutual agreement, select a fiscal year reporting period other than the calendar year.

Sec. 2. Section 536A.23, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 5. In addition to the other charges authorized by this chapter, industrial loan companies licensed under this chapter may collect an appraisal fee on a loan secured by a mortgage or deed of trust upon real property, if the appraisal fee is bona fide, reasonable in amount, and not for purposes of circumvention or evasion of this chapter.

Sec. 3. Section 536A.31, subsection 3, Code 1983, is amended to read as follows:

3. A provision of the Iowa consumer credit code, chapter 537, applicable to loans regulated by this chapter shall supersede supersedes a conflicting provision of this chapter. However, section 536A.23, subsection 5 is not superseded by the Iowa consumer credit code.

Approved May 4, 1984