

## CHAPTER 68

### CONSUMER CREDIT CODE AMENDMENTS

*H.F. 552*

**AN ACT** relating to the consumer credit code, by providing for certain charges, amending the definition of debt collectors, requiring notification and the imposition of certain fees, appropriating funds collected, and providing an applicability date.

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

Section 1. Section 537.1302, Code 1989, is amended to read as follows:  
537.1302 DEFINITION – TRUTH IN LENDING ACT.

As used in this chapter, "Truth in Lending Act" means title 1 of the Consumer Credit Protection Act, in subchapter 1 of chapter 41 of title 15 of the United States Code, as amended to and including ~~July 1, 1982~~ January 1, 1989, and includes regulations issued pursuant to that Act prior to ~~July 1, 1982~~ January 1, 1989.

~~Ch 68, §2 Amend~~  
~~Ch 296, §75-89 Acts~~

Sec. 2. Section 537.2501, subsection 1, is amended by adding the following new paragraphs as paragraphs f and g and relettering the existing paragraph f:

**NEW PARAGRAPH. f.** With respect to open-end credit pursuant to a credit card issued by the creditor which entities\* the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for an over-limit charge not to exceed ten dollars if the balance of the account exceeds the credit limit established pursuant to the agreement. The over-limit charge under this paragraph shall not be assessed again in a subsequent billing cycle unless in a subsequent billing cycle the account balance has been reduced below the credit limit.

If the differential treatment of this subsection based on the number of persons honoring a credit card is found to be unconstitutional, the parties may contract for the over-limit charge as described in this paragraph in any consumer credit transaction pursuant to open-end credit,\* the other conditions relating to the over-limit charge shall remain in effect.

**NEW PARAGRAPH. g.** A surcharge of not more than ten dollars for each dishonored payment instrument provided that the fee is clearly and conspicuously disclosed in the cardholder agreement. However, the surcharge shall not be assessed against the maker if the reason for the dishonor of the instrument is that the maker has stopped payment pursuant to section 554.4403.

Sec. 3. Section 537.2501, Code 1989, is amended by adding the following new subsection:

**NEW SUBSECTION. 3.** With respect to open-end credit obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the creditor may contract for and receive any charge lawfully contained in a prior agreement between the consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card account, if the account was acquired in an arm's-length for-value sale from a nonrelated or nonaffiliated creditor. The creditor may charge any charge on new open-end credit accounts lawfully permitted in a prior agreement between a consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card accounts.

Sec. 4. Section 537.2502, Code 1989, is amended by adding the following new subsections:

**NEW SUBSECTION. 4.** With respect to open-end credit obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for a delinquency charge on any payment not paid in full within ten days after its due date, as originally scheduled or as deferred, in an amount not to exceed ten dollars.

**NEW SUBSECTION. 5.** A delinquency charge under subsection 4 may be collected only once on a payment however long it remains in default. No delinquency charge may be collected with respect to a deferred payment unless the payment is not paid in full within ten days after

\*See Chapter 296, §75 herein

its deferred due date. A delinquency charge may be collected at the time it accrues or at any time afterward.

NEW SUBSECTION. 6. No delinquency charge may be collected under subsection 4 on a payment which is paid in full within ten days after its scheduled or deferred due date even though an earlier maturing payment or a delinquency or deferred charge on an earlier payment has not been paid in full. For purposes of this subsection, payments are applied first to amounts due for the current billing cycle and then to delinquent payments.

NEW SUBSECTION. 7. If the differential treatment of subsection 4 based on the number of persons honoring a credit card is found to be unconstitutional, the parties may contract for the delinquency charge as described in subsection 4 in any consumer credit transaction pursuant to open-end credit, and the other conditions provided in this section relating to delinquency charges remain in effect.

Sec. 5. Section 537.6201, subsection 2, Code 1989, is amended to read as follows:

2. Debt collectors, as defined in section 537.7102, subsection 3, to whose acts, practices, or conduct this chapter applies pursuant to section 537.1201 if the total debt collected by a debt collector in the preceding calendar year exceeds twenty-five thousand dollars, or if not, if the total debt collected during the current calendar year exceeds twenty-five thousand dollars, but this part does not apply to those licensed, certified, or otherwise authorized to engage in business under chapter 524, 533, 534, 536, or 536A.

Sec. 6. Section 537.6202, subsection 1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Persons subject to this part shall file notification with the administrator within thirty days after commencing business in this state or within thirty days after enactment of this Act, whichever is applicable, and, thereafter, on or before January 31 of each year. The notification must state all of the following:

Sec. 7. Section 537.6203, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

537.6203 FEES.

1. A person required to file notification shall pay to the administrator an annual fee of ten dollars. The fee shall be paid with the filing of the first notification and on or before January 31 of each succeeding year.

2. A person required to file notification who is a seller, lessor, or lender and who is not an assignee shall pay an additional fee at the time and in the manner stated in subsection 1 of ten dollars for each one hundred thousand dollars, or part thereof exceeding ten thousand dollars, of the average unpaid balances, including unpaid scheduled periodic payments under consumer leases, of obligations arising from consumer credit transactions entered into or modified by the person in this state and held on the last day of each calendar month during the preceding calendar year and held either by the seller, lessor, or lender, or by an immediate or remote assignee who has not filed notification. The unpaid balances of assigned obligations held by an assignee who has not filed notifications are presumed to be the unpaid balances of the assigned obligations at the time of their assignment by the seller, lessor, or lender.

3. A person required to file notification who is an assignee shall pay an additional fee at the time and in the manner stated in subsection 1 of ten dollars for each one hundred thousand dollars, or part thereof exceeding ten thousand dollars, of the average unpaid balances including unpaid scheduled periodic payments payable by lessees, of obligations arising from consumer credit transactions entered into or modified in this state, taken by the person by assignment and held by the person on the last day of each calendar month during the preceding calendar year.

4. In addition to the penalties provided by section 537.6113, subsection 3, the administrator may collect a charge, established by rule, not exceeding twenty-five dollars from each person required to pay fees under this section who fails to pay the fees in full within thirty days after they are due.

5. Moneys collected under this section shall be deposited in a consumer credit administration fund in the state treasury and shall be used for the administration of chapter 537. The moneys are subject to warrant upon certification of the administrator and are appropriated for these purposes. Notwithstanding section 8.33, the moneys in the fund do not revert at the end of a fiscal period.

Approved April 27, 1989

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## CHAPTER 69

### HUMAN IMMUNODEFICIENCY VIRUS STUDY OF NEWBORNS

*S.F. 410*

**AN ACT** relating to the conducting of an epidemiological blinded study to determine the prevalence of the human immunodeficiency virus infection and providing an effective date.

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

Section 1. **NEW SECTION. 141.23A HUMAN IMMUNODEFICIENCY VIRUS EPIDEMIOLOGICAL BLINDED STUDY.**

Notwithstanding section 141.8 regarding informed consent and reporting requirements, and section 141.22 regarding informed consent and preliminary and posttest counseling, the Iowa department of public health or its agent may conduct through the expenditure of federal grant moneys allocated for this purpose an epidemiological blinded study of newborns to determine the prevalence of the human immunodeficiency virus infection. All personal identifiers shall be permanently stripped from the specimens selected prior to testing for the human immunodeficiency virus infection.

For the purposes of this section, "epidemiological blinded study" means a study in which blood specimens which were collected for other purposes are selected according to established criteria, are permanently stripped of personal identifiers, and are then tested.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 27, 1989

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## CHAPTER 70

### HAZARDOUS MATERIALS TRANSPORTATION RULE EXCEPTIONS

*S.F. 442*

**AN ACT** relating to rules adopted under section 321.450 as they relate to physical and medical qualifications of drivers of commercial vehicles engaged in intrastate commerce and to retail dealers and their employees delivering fertilizers, petroleum products, and pesticides to farm customers and providing an effective date.

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

Section 1. Section 321.450, Code 1989, is amended by adding the following new unnumbered paragraph: