

CHAPTER 63

INDUSTRIAL LOAN COMPANIES — THRIFT GUARANTY CORPORATION

S.F. 310

AN ACT relating to the repeal of chapter 536B, and the restrictions on investments made by, and debt instruments offered for sale by, an industrial loan company.

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

Section 1. Section 536A.16, Code 1991, is amended to read as follows:

536A.16 CEASE AND DESIST ORDERS.

~~Whenever~~ If the superintendent has reasonable cause to believe that ~~any~~ a licensee is violating ~~any provision of this chapter, chapter 536B, or rules adopted under either pursuant to this chapter,~~ the superintendent may, after ten days' advance written notice, in addition to all actions provided for in this chapter, and without prejudice thereto, enter an order requiring the licensee to cease, desist, and refrain from the violation. After receipt of the advance written notice as ~~provided above,~~ any the licensee, within five days from the receipt of ~~such~~ the notice, may file with the superintendent a written demand for a hearing. Hearings shall promptly be held in the office of the superintendent and a cease and desist order shall not be issued until after the hearing. The licensee shall be entitled to present evidence and the testimony of witnesses at the hearing.

Sec. 2. Section 536A.17, Code 1991, is amended to read as follows:

536A.17 INJUNCTIONS.

The superintendent by counsel of the attorney general may commence an action in the district court, in the name of the state of Iowa as plaintiff on the relation of the superintendent to restrain and enjoin any licensee from violating this chapter, ~~chapter 536B,~~ or rules adopted ~~under either pursuant to this chapter,~~ or to restrain and enjoin any person, copartnership, firm, or corporation from engaging in the business of operating an industrial loan company without obtaining a license as required by this chapter.

Sec. 3. Section 536A.22, Code 1991, is amended to read as follows:

536A.22 THRIFT CERTIFICATES.

Licensed industrial loan companies may sell senior debt to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes or similar evidences of indebtedness. The total amount of such thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes or similar evidences of indebtedness outstanding and in the hands of the general public shall not at any time exceed ten times the total amount of capital, surplus, undivided profits and subordinated debt that gives priority to such securities of the issuing industrial loan company. ~~Except as provided in chapter 536B, the~~ The sale of such securities shall be subject to the provisions of chapter 502, and shall not be construed to be exempt ~~therefrom~~ by reason of the provisions of section 502.202, subsection 10, except that the sale of thrift certificates or installment thrift certificates which are redeemable by the holder thereof either upon demand or within a period not in excess of one hundred eighty days ~~shall be~~ are exempt from sections 502.201 and 502.602.

Sec. 4. Section 536A.25, Code 1991, is amended to read as follows:

536A.25 RESTRICTIONS.

1. ~~No~~ An industrial loan company licensed under this chapter shall ~~not~~ make ~~any~~ a loan of money or property to, or guarantee the obligations of, ~~any of its directors or officers;~~ or loan to any borrower, other than a subsidiary or affiliated corporation, more than twenty percent of its total capital, surplus, and undivided profits. ~~No~~ A licensee shall ~~not~~ make ~~any~~ a loan under any other name or at any other place of business than that named in the license.

2. An industrial loan company licensed under this chapter that sells debt instruments to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness, shall not loan to a

borrower, including a subsidiary or an affiliated corporation, more than twenty percent of the industrial loan company's total of capital, surplus, and undivided profits. The aggregate of all loans to subsidiaries and affiliated corporations of the industrial loan company shall not exceed ten percent of the industrial loan company's total assets.

A debt instrument sold by an industrial loan company which is not insured by the federal deposit insurance corporation, shall contain on its face a notice in bold print that the debt instrument is not insured or guaranteed by the federal deposit insurance corporation.

3. Investments by an industrial loan company licensed under this chapter are subject to the provisions of section 524.901 as applied to state banks.

Sec. 5. Section 546.3, Code 1991, is amended to read as follows:

546.3 BANKING DIVISION.

The banking division shall regulate and supervise banks under chapter 524, regulated loan companies under chapter 536, and industrial loan companies under chapter 536A, ~~and the industrial loan thrift guaranty corporation of Iowa under chapter 536B,~~ and shall perform other duties assigned to the division by law. The division is headed by the superintendent of banking who ~~shall be~~ is appointed pursuant to section 524.201. The state banking board shall perform duties within the division as prescribed by law.

Sec. 6. Chapter 536B, Code 1991, is repealed.

Approved April 29, 1991

CHAPTER 64

SMOKE DETECTORS

S.F. 383

AN ACT relating to the installation of smoke detectors in multiple-unit residential buildings and single-family dwellings and making penalties applicable.

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

Section 1. Section 100.18, subsection 1, paragraph b, Code 1991, is amended to read as follows:

b. "Multiple-unit residential building" means a residential building, an apartment house, or a portion of a building or an apartment house with ~~four~~ two or more units, hotel, motel, dormitory, or rooming house.

Sec. 2. Section 100.18, subsection 2, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. Except as provided in subsection 4, multiple-unit residential buildings and single-family dwellings the construction of which is begun on or after July 1, 1991, shall include the installation of smoke detectors in compliance with the rules established by the state fire marshal under subsection 5.

b. The rules shall require the installation of smoke detectors in existing single-family rental units and multiple-unit residential buildings. Existing single-family dwelling units shall be equipped with approved smoke detectors. A person who files for a homestead credit pursuant to chapter 425 shall certify that the single-family dwelling unit for which the credit is filed has a smoke detector installed in compliance with this section, or that one will be installed within thirty days of the date the filing for the credit is made. The state fire marshal shall adopt rules and establish appropriate procedures for the distribution and filing of such certificates with the state fire marshal.