

## CHAPTER 139

### CONSUMER CREDIT TRANSACTIONS — UNPAID INSTALLMENTS — DEFERRAL AGREEMENTS

S.F. 503

**AN ACT** providing for the deferral of unpaid installments and deferral charges for certain interest-bearing consumer credit transactions.

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

Section 1. Section 537.2503, subsection 1, Code 2017, is amended to read as follows:

1. a. Before or after default in payment of a scheduled installment of a precomputed consumer credit transaction, the parties to the transaction may agree in writing to a deferral of all or part of one or more unpaid installments and the creditor may make at the time of deferral and receive at that time or at any time thereafter a deferral charge which is not in excess of one and one-half percent per month for the period of time for which it is deferred, but not to exceed the rate of finance charge which was required to be disclosed in the transaction to the consumer pursuant to [section 537.3201](#) applied to each amount deferred for the period for which it is deferred. In computing a deferral charge for one or more months, any month may be counted as one-twelfth of a year and in computing a deferral charge for part of a month, a day shall be counted as one three hundred sixty-fifth of a year.

b. With respect to an interest-bearing consumer credit transaction not pursuant to an open-end credit arrangement and other than a consumer lease or consumer rental purchase agreement, the parties to the transaction may agree in writing to a deferral of all or part of one or more unpaid installments in addition to any interest accrued pursuant to the terms of the consumer credit transaction. The creditor may make at the time of deferral and receive at that time or at any time thereafter a deferral charge which shall not exceed thirty dollars per deferred installment.

Approved May 11, 2017