

## CHAPTER 16

### CONSUMER CREDIT TRANSACTIONS AND SERVICE CHARGES

H.F. 235

**AN ACT** relating to service charges on consumer credit transactions.

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

Section 1. [Section 537.2501, subsection 1](#), paragraph 1, Code 2021, is amended to read as follows:

1. For ~~an interest-bearing~~ a consumer credit transaction, a service charge in an amount not to exceed the lesser of ten percent of the amount financed or thirty dollars.

Sec. 2. [Section 537.2510, subsection 3](#), paragraph a, Code 2021, is amended to read as follows:

a. If the prepayment is in full, the creditor may collect or retain a minimum charge not exceeding five dollars in a transaction which had an amount financed of seventy-five dollars or less, or not exceeding seven dollars and fifty cents in a transaction which had an amount financed of more than seventy-five dollars, if the minimum charge was contracted for, and the finance charge earned at the time of prepayment is less than the minimum charge contracted for. If, however, a creditor has collected a service charge in association with ~~an interest-bearing~~ a consumer credit transaction pursuant to [section 537.2501, subsection 1](#), paragraph "1", the creditor shall not collect or retain a minimum charge upon prepayment pursuant to [this subsection](#).

Approved March 8, 2021