

CHAPTER 11

PREPAYMENT OF RETAIL INSTALLMENT CONTRACTS FOR PURCHASE OF MOTOR VEHICLES — VOLUNTARY DEBT CANCELLATION COVERAGE — REFUNDS

H.F. 133

AN ACT relating to refund payments made in connection with motor vehicle debt cancellation coverage.

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

Section 1. [Section 537.2510](#), Code 2023, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Notwithstanding any provision of [this chapter](#) to the contrary or an agreement between a motor vehicle dealer licensed pursuant to [section 322.4](#) and the consumer, if the creditor is a financial institution as defined in the Iowa consumer credit code, [chapter 537](#), or the federal Gramm-Leach-Bliley Act of 1999, 15 U.S.C. §6801 et seq., who has purchased a retail installment contract as defined in [section 322.2, subsection 22](#), with voluntary debt cancellation coverage, the only obligation of the creditor upon prepayment in full shall be to notify the motor vehicle dealer within thirty days of the prepayment. The motor vehicle dealer shall promptly determine whether the consumer is eligible for a refund of any voluntary debt cancellation coverage and shall issue any refund required directly to the consumer within sixty days of the dealer's receipt of notice of the prepayment from the creditor.

Approved March 22, 2023