

**House File 2141 - Introduced**

HOUSE FILE 2141  
BY PETTENGILL

**A BILL FOR**

1 An Act requiring state credit unions to make available loans  
2 subject to a gradually reduced rate of interest under  
3 specified circumstances.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 533.316, Code 2009, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 2A. A state credit union which charges  
4 a rate of interest on a consumer loan, as defined in section  
5 537.1301, subsection 15, that is calculated at different  
6 interest rates depending on a member's credit history or credit  
7 rating shall make available to members paying proportionately  
8 higher interest rates based on their credit history or credit  
9 rating the option of reducing the rate of interest applicable  
10 to the loan at designated intervals and in specified amounts if  
11 all scheduled payments are being made when due under the terms  
12 of the loan.

13 EXPLANATION

14 This bill provides that if a state credit union charges  
15 an interest rate on consumer loans which varies depending on  
16 a credit union member's credit history or credit rating, the  
17 state credit union shall make available to members paying  
18 proportionately higher interest rates based on that history or  
19 rating the option of reducing the interest rate at designated  
20 intervals and in specified amounts if the member is making  
21 all scheduled payments when due. The bill references the  
22 definition of "consumer loan" contained in Code section  
23 537.1301, subsection 15, which refers to a debt incurred  
24 primarily for a personal, family, or household purpose where  
25 the amount financed does not exceed \$25,000.