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FILED MAR 9 1976

SENATE FILE 1246

By PRIEBE

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the periodic billing of debtors in consumer
2 credit transactions.

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

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1 Section 1. Section five hundred thirty-seven point two
2 thousand two hundred one (537.2201), Code 1975, is amended
3 by adding the following new subsection:

4 NEW SUBSECTION. A creditor shall not impose or collect
5 a finance charge for a billing cycle unless the creditor
6 previously mailed to the debtor, at the address indicated
7 in the records of the creditor for the mailing of statements
8 and not less than twenty days prior to the date when payment
9 was past due, a statement of the amount due and the latest
10 date by which payment could have been made by the debtor in
11 order to avoid incurring a finance charge on the amount due.
12 This section shall not apply to a precomputed consumer credit
13 transaction.

14 Sec. 2. Section five hundred thirty-seven point two
15 thousand two hundred two (537.2202), Code 1975, is amended
16 by adding the following new subsection:

17 NEW SUBSECTION. A creditor shall not impose or collect
18 a finance charge for any billing cycle unless the creditor
19 previously mailed to the debtor, at the address indicated
20 in the records of the creditor for the mailing of statements
21 and not less than twenty days prior to the date when pay-
22 ment was past due, a statement of the amount due and the
23 latest date by which payment could have been made by the
24 debtor in order to avoid incurring a finance charge on the
25 amount due.

26 Sec. 3. Section five hundred thirty-seven point two
27 thousand four hundred one (537.2401), Code 1975, is amended
28 by adding the following new subsection:

29 NEW SUBSECTION. A lender shall not impose or collect a
30 finance charge for a billing cycle unless the lender pre-
31 viously mailed to the debtor, at the address indicated in
32 the records of the lender for the mailing of statements and
33 not less than twenty days prior to the date when payment was
34 past due, a statement of the amount due and the latest date
35 by which payment could have been made by the debtor in order

1 to avoid incurring a finance charge on the amount due. This
2 section shall not apply to a precomputed consumer credit
3 transaction.

4 Sec. 4. Section five hundred thirty-seven point two
5 thousand four hundred two (537.2402), Code 1975, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. A lender shall not impose or collect a
8 finance charge for any billing cycle unless the lender
9 previously mailed to the debtor, at the address indicated
10 in the records of the creditor for the mailing of statements
11 and not less than twenty days prior to the date when payment
12 was past due, a statement of the amount due and the latest
13 date by which payment could have been made by the debtor in
14 order to avoid incurring a finance charge on the amount due.

15 EXPLANATION

16 This bill provides that in a consumer credit transaction
17 other than a precomputed transaction, a creditor or lender
18 shall not impose or collect a finance charge for a payment
19 period unless the creditor or lender mails to the debtor not
20 less than twenty days before the payment shall be past due
21 a statement of the amount due and the latest date by which
22 payment may be made without incurring a finance charge.

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