

Commence 2/13 21. Par 2/12 (p. 566)

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SENATE FILE 211

By DRAKE, TIEDEN, PRIEBE,
MILLER of Des Moines
and SCHWENGELS

(one for 47 215)

Passed Senate, Date 2-28-79 (p. 597) Passed House, Date 2-12-79 (p. 572)

Vote: Ayes 40 Nays 3 Vote: Ayes 86 Nays 8

Approved March 26, 1979

*Motion to reconsider 2/1 (p. 512)
withdrawn 2/5 (p. 647)*

*Motion to reconsider 2/12 (p. 912)
withdrawn 2/16 (p. 1245)*

A BILL FOR

1 An Act authorizing a corporation licensed under chapter
2 five hundred thirty-six A (536A) of the Code to
3 establish, own, operate, utilize, and participate in
4 electronic fund transfer systems.

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

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1 Section 1. Section five hundred twenty-four point eight
2 hundred twenty-one (524.821), subsection one (1), Code 1979,
3 is amended to read as follows:

4 1. A state bank may engage in any transaction incidental
5 to the conduct of the business of banking and otherwise per-
6 mitted by applicable law, by means of either the direct
7 transmission of electronic impulses to or from customers and
8 banks or the recording of electronic impulses or other indicia
9 of a transaction for delayed transmission to a bank. Subject
10 to the provisions of chapter 527, a state bank may utilize,
11 establish or operate, alone or with one or more other banks,
12 savings and loan associations incorporated under the provisions
13 of chapter 534 or ~~the Home Owners' Loan Act of 1933 (12 U.S.C.~~
14 ~~sections 1461-1463)~~ federal law, credit unions incorporated
15 under the provisions of chapter 533 or ~~the Federal Credit~~
16 ~~Union Act (12 U.S.C. sections 1751-1790)~~ federal law,
17 corporations licensed under chapter five hundred thirty-six
18 A (536A) of the Code, or third parties, the satellite ter-
19 minals permitted under chapter 527, by means of which cus-
20 tomers and banks may transmit and receive electronic impulses
21 constituting transactions pursuant to this section. However,
22 such utilization, establishment, or operation shall be lawful
23 only when in compliance with chapter 527. Nothing in this
24 section shall be construed as authority for any person to
25 engage in transactions not otherwise permitted by applicable
26 law, nor shall anything in this section be deemed to repeal,
27 replace or in any other way affect any applicable law or rule
28 regarding the maintenance of or access to financial information
29 maintained by any bank.

30 Sec. 2. Section five hundred twenty-seven point two
31 (527.2), subsections four (4), five (5) and six (6), Code
32 1979, are amended to read as follows:

33 4. "Financial institution" means and includes any bank
34 incorporated under the provisions of chapter 524 or ~~under~~
35 ~~the national banking acts, Title 12, United States Code,~~

1 ~~sections-21-to-95~~ federal law, any savings and loan association
2 incorporated under the provisions of chapter 534 or under
3 ~~the-Home-Owners-Loan-Act-of-1933,-Title-12,-United-States~~
4 ~~Code,-sections-1461-to-1468~~ federal law, and any credit union
5 organized under the provisions of chapter 533 or ~~under-the~~
6 ~~federal-Credit-Union-Act,-Title-12,-United-States-Code,~~
7 ~~sections-1751-to-1790~~ federal law, and any corporation licensed
8 as an industrial loan company under chapter five hundred
9 thirty-six A (536A) of the Code.

10 5. "Premises" means and includes only those locations
11 where by applicable law financial institutions are authorized
12 to maintain a principal place of business and other offices
13 for the conduct of their respective businesses; provided that
14 with respect to an industrial loan company, "premises" means
15 only a location where business may be conducted under a single
16 license issued to the industrial loan company.

17 6. "Administrator" means and includes the superintendent
18 of banking, the supervisor of savings and loan associations
19 within the office of the auditor of state, and the
20 administrator of the credit union department and the supervisor
21 of industrial loan companies within the office of the auditor
22 of state. However, the powers of administration and
23 enforcement of this chapter shall be exercised only as provided
24 in section 527.3.

25 Sec. 3. Section five hundred twenty-seven point three
26 (527.3), subsection one (1), Code 1979, is amended to read
27 as follows:

28 1. For purposes of this chapter the superintendent of
29 banking only shall have the power to issue rules applicable
30 to, to accept and approve or disapprove applications or in-
31 formational statements from, to conduct hearings and revoke
32 any approvals relating to, and to exercise all other super-
33 visory authority created by this chapter with respect to
34 banks; the supervisor of savings and loan associations only
35 shall have and exercise such powers and authority with respect

1 to savings and loan associations; ~~and~~ the administrator of
2 the credit union department only shall have and exercise such
3 powers and authority with respect to credit unions; and the
4 auditor of state or his or her designee only shall have and
5 exercise such powers and authority with respect to industrial
6 loan companies.

7 Sec. 4. Section five hundred twenty-seven point four
8 (527.4), Code 1979, is amended to read as follows:

9 527.4 ESTABLISHMENT OF SATELLITE TERMINALS--RESTRICTIONS.

10 1. A satellite terminal shall not be established with-
11 in this state by any financial institution, except one whose
12 principal place of business is located in this state, or one
13 who has a business location licensed in this state under
14 chapter five hundred thirty-six A (536A) of the Code.

15 2. A financial institution whose licensed or principal
16 place of business is located in this state shall not establish
17 a satellite terminal at any location outside of this state.

18 3. a. A financial institution may establish any num-
19 ber of satellite terminals within the boundaries of any
20 municipal corporation, or any urban complex composed of two
21 or more Iowa municipal corporations each of which is con-
22 tiguous to or corners upon at least one of the other muni-
23 cipal corporations within the complex, if the principal place
24 of business or an office of that financial institution is
25 also located within the boundaries of that municipal
26 corporation or urban complex. A financial institution shall
27 not establish a satellite terminal at any other location ex-
28 cept pursuant to an agreement with a financial institution
29 which is authorized by the preceding sentence to establish
30 a satellite terminal at that location and which will uti-
31 lize the satellite terminal so established.

32 b. Paragraph a of this subsection does not apply to a
33 corporation licensed under chapter five hundred thirty-six
34 A (536A) of the Code. A corporation licensed under that
35 chapter may establish within the boundaries of a municipal

1 corporation, or an urban complex composed of two or more Iowa
2 municipal corporations each of which is contiguous to or
3 corners upon at least one of the other municipal corpora-
4 tions within the complex, any number of satellite terminals
5 which are satellite terminals of a licensed business location
6 of the corporation which is located within the municipal
7 corporation or urban complex. The corporation shall not es-
8 tablish a satellite terminal at any other location except
9 pursuant to an agreement with another financial institution
10 which is authorized by the preceding sentence to establish
11 a satellite terminal at that location and which utilizes
12 the satellite terminal so established.

13 Sec. 5. Section five hundred twenty-seven point five
14 (527.5), subsection two (2), unnumbered paragraph one (1),
15 and subsections eight (8) and nine (9), Code 1979, are amended
16 to read as follows:

17 2. The satellite terminal shall be available for use on
18 a nondiscriminatory basis by any other financial institution
19 which has its principal place of business within this state,
20 and by all customers who have been designated by a financial
21 institution using the satellite terminal and who have been
22 provided with a physical object or other method, approved
23 by the administrator, by which to engage in electronic
24 transactions by means of the satellite terminal. No financial
25 institution shall be required to join, be a member or
26 shareholder of, or otherwise participate in any corporation,
27 association, partnership, co-operative or other enterprise
28 as a condition of its utilizing any satellite terminal located
29 within this state. However, for purposes of complying with
30 this subsection, a satellite terminal which is established
31 and controlled by a bank is not required to be available for
32 use by any savings and loan association or credit union or
33 industrial loan company; and one established and controlled
34 by a savings and loan association is not required to be
35 available for use by a bank or credit union or industrial

1 loan company; and one established and controlled by a credit
2 union, is not required to be available for use by a bank or
3 savings and loan association or industrial loan company; and
4 one established by an industrial loan company is not required
5 to be available for use by a bank or savings and loan
6 association or credit union.

7 8. a. A satellite terminal shall not be operated in a
8 manner to permit a person to credit any demand deposit account,
9 savings account, share account, or any other account
10 representing a liability of a financial institution to that
11 person, except transfers between separate accounts of that
12 person with the same financial institution, unless the
13 satellite terminal is located either (a) (1) within the county
14 in which that financial institution maintains its principal
15 place of business or within a county which is contiguous to
16 or corners upon the county in which that financial institution
17 maintains its principal place of business; or (b) (2) within
18 the boundaries of any municipal corporation or any urban
19 complex composed of two or more Iowa municipal corporations
20 each of which is contiguous to or corners upon at least one
21 of the other municipal corporations within the complex, if
22 an office of that financial institution which is not its
23 principal place of business is also located within the
24 boundaries of that municipal corporation or urban complex.

25 b. Paragraph a of this subsection does not apply to a
26 corporation licensed under chapter five hundred thirty-six
27 A (536A) of the Code. A satellite terminal shall not be
28 operated in a manner to permit a person to credit any demand
29 deposit account, savings account, share account, or any other
30 account representing a liability of a corporation licensed
31 under chapter five hundred thirty-six A (536A) of the Code
32 to the person, except transfers between separate accounts
33 of the person maintained at the same licensed business location
34 of the corporation, unless the satellite terminal is located
35 within the same county in which the licensed business location

1 maintaining the account of that person is located.

2 9. a. A satellite terminal shall not be operated in any
3 manner to permit a person to credit any demand deposit ac-
4 count, savings account, share account or any other account
5 representing a liability of a financial institution, if that
6 financial institution is located outside of this state.

7 b. Paragraph a of this subsection does not apply to a
8 corporation licensed under chapter five hundred thirty-six
9 A (536A) of the Code. A satellite terminal shall not be
10 operated in any manner to permit a person to credit an account
11 representing a liability of a corporation licensed under
12 chapter five hundred thirty-six A (536A) of the Code, if the
13 business location of the corporation where the original records
14 pertaining to the person's account are maintained is located
15 outside of this state.

16 Sec. 6. Section five hundred thirty-three point four
17 (533.4), subsection eighteen (18), Code 1979, is amended to
18 read as follows:

19 18. Engage in any transaction otherwise permitted by this
20 chapter and applicable law, by means of either the direct
21 transmission of electronic impulses to or from the credit
22 union or the recording of electronic impulses or other indicia
23 of a transaction for delayed transmission to the credit union.
24 Subject to the provisions of chapter 527, a credit union may
25 utilize, establish or operate, alone or with one or more other
26 credit unions, banks incorporated under the provisions of
27 chapter 524 or ~~the-national-banking-acts-(12-U.S.C.-sections~~
28 ~~21-95)~~ federal law, savings and loan associations incorporated
29 under the provisions of chapter 534 or ~~the-Home-Owners'-Loan~~
30 ~~Act-of-1933-(12-U.S.C.-sections-1461-1468)~~ federal law,
31 corporations licensed under chapter five hundred thirty-six
32 A (536A) of the Code, or third parties, the satellite terminals
33 permitted under chapter 527, by means of which the credit
34 union may transmit to or receive from any member electronic
35 impulses constituting transactions pursuant to this subsection.

1 However, such utilization, establishment, or operation shall
2 be lawful only when in compliance with chapter 527. Nothing
3 in this subsection shall be construed as authority for any
4 person to engage in transactions not otherwise permitted by
5 applicable law, nor shall anything in this subsection be
6 deemed to repeal, replace or in any other way affect any
7 applicable law or rule regarding the maintenance of or ac-
8 cess to financial information maintained by any credit union.

9 Sec. 7. Section five hundred thirty-four point nineteen
10 (534.19), subsection twenty-one (21), Code 1979, is amended
11 to read as follows:

12 21. ELECTRONIC TRANSACTIONS. Engage in any transaction
13 otherwise permitted by this chapter and applicable law, by
14 means of either the direct transmission of electronic im-
15 pulses to or from the association or the recording of elec-
16 tronic impulses or other indicia of a transaction for de-
17 layed transmission to the association. Subject to the pro-
18 visions of chapter 527, an association may utilize, establish
19 or operate, alone or with one or more other associations,
20 banks incorporated under the provisions of chapter 524 or
21 ~~the national banking acts (12-U.S.C. sections 21-95)~~ federal
22 law, credit unions incorporated under the provisions of chapter
23 533 or ~~the federal Credit Union Act (12-U.S.C. sections 1751-~~
24 ~~1790)~~ federal law, corporations licensed under chapter five
25 hundred thirty-six A (536A) of the Code, or third parties,
26 the satellite terminals permitted under chapter 527, by means
27 of which the association may transmit to or receive from any
28 member electronic impulses constituting transactions pursuant
29 to this subsection. However, such utilization, establishment
30 or operation shall be lawful only when in compliance with
31 chapter 527. Nothing in this subsection shall be construed
32 as authority for any association or other person to engage
33 in transactions not otherwise permitted by applicable law,
34 nor shall anything in this subsection be deemed to repeal,
35 replace or in any other way affect any applicable law or rule

1 regarding the maintenance of or access to financial informa-
2 tion maintained by any association.

3 Sec. 8. Chapter five hundred thirty-six A (536A), Code
4 1979, is amended by adding the following new section:

5 NEW SECTION. ELECTRONIC TRANSACTIONS. A licensee may
6 engage in any transaction otherwise permitted by this chap-
7 ter and applicable law, by means of either the direct trans-
8 mission of electronic impulses or other indicia of a trans-
9 action for delayed transmission to the licensee. Subject
10 to the provisions of chapter five hundred twenty-seven (527)
11 of the Code, a licensee may utilize, establish or operate,
12 alone or with one or more other licensees, banks incorporated
13 under the provisions of chapter five hundred twenty-four (524)
14 of the Code or federal law, credit unions incorporated under
15 the provisions of chapter five hundred thirty-three (533)
16 of the Code or federal law, savings and loan associations
17 incorporated under the provisions of chapter five hundred
18 thirty-four (534) of the Code or federal law, or third parties,
19 the satellite terminals permitted under chapter five hundred
20 twenty-seven (527) of the Code, by means of which the licensee
21 may transmit to or receive from any customer electronic
22 impulses constituting transactions pursuant to this section.
23 However, such utilization, establishment or operation is
24 lawful only when in compliance with chapter five hundred
25 twenty-seven (527) of the Code. Nothing in this section
26 authorizes a licensee or other person to engage in transactions
27 not otherwise permitted by applicable law, nor does anything
28 in this section repeal, replace or in any other way affect
29 any applicable law or rule regarding the maintenance of or
30 access to financial information maintained by a licensee.

31

EXPLANATION

32 This bill would authorize industrial loan companies li-
33 censed under chapter 536A of the Code to establish, own,
34 operate, utilize, and participate in electronic fund trans-
35 fer systems on the same basis as banks, savings and loan

1 associations and credit unions.

2 Chapter 527 of the Code authorizes financial institutions
3 to establish electronic equipment off the premises of the
4 institution, by means of which customers of the financial
5 institution may engage in business transactions with the
6 institution which ordinarily would require the presence of
7 the customer at the office of the institution. This bill
8 would amend that chapter to permit industrial loan companies
9 to participate in the same types of electronic business
10 programs.

11 The bill also deletes specific citations to United States
12 Code sections in favor of shorter references to "federal law".
13 For purposes of the electronic fund transfer system law, the
14 specific United States Code citations are believed to be
15 unnecessary.

16 The bill takes effect July first following its enactment.

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SENATE FILE 211

AN ACT

AUTHORIZING A CORPORATION LICENSED UNDER CHAPTER FIVE HUNDRED THIRTY-SIX A (536A) OF THE CODE TO ESTABLISH, OWN, OPERATE, UTILIZE, AND PARTICIPATE IN ELECTRONIC FUND TRANSFER SYSTEMS.

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

Section 1. Section five hundred twenty-four point eight hundred twenty-one (524.821), subsection one (1), Code 1979, is amended to read as follows:

1. A state bank may engage in any transaction incidental to the conduct of the business of banking and otherwise permitted by applicable law, by means of either the direct transmission of electronic impulses to or from customers and banks or the recording of electronic impulses or other indicia of a transaction for delayed transmission to a bank. Subject to the provisions of chapter 527, a state bank may utilize, establish or operate, alone or with one or more other banks, savings and loan associations incorporated under the provisions of chapter 534 or the Home-Owners-Loan-Act-of-1933-(12-U.S.C. sections-1461-1463) federal law, credit unions incorporated under the provisions of chapter 533 or the-federal-Credit-Union-Act-(12-U.S.C.-sections-1751-1790) federal law, corporations licensed under chapter five hundred thirty-six A (536A) of the Code, or third parties, the satellite terminals permitted under chapter 527, by means of which customers and banks may transmit and receive electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527. Nothing in this section shall be construed as authority for any person to engage in transactions not otherwise permitted by applicable

law, nor shall anything in this section be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any bank.

Sec. 2. Section five hundred twenty-seven point two (527.2), subsections four (4), five (5) and six (6), Code 1979, are amended to read as follows:

4. "Financial institution" means and includes any bank incorporated under the provisions of chapter 524 or under the-national-banking-acts,-Title-12,-United-States-Code,-sections-21-to-95 federal law, any savings and loan association incorporated under the provisions of chapter 534 or under the-Home-Owners-Loan-Act-of-1933,-Title-12,-United-States-Code,-sections-1461-to-1468 federal law, and any credit union organized under the provisions of chapter 533 or under-the-federal-Credit-Union-Act,-Title-12,-United-States-Code,-sections-1751-to-1790 federal law, and any corporation licensed as an industrial loan company under chapter five hundred thirty-six A (536A) of the Code.

5. "Premises" means and includes only those locations where by applicable law financial institutions are authorized to maintain a principal place of business and other offices for the conduct of their respective businesses; provided that with respect to an industrial loan company, "premises" means only a location where business may be conducted under a single license issued to the industrial loan company.

6. "Administrator" means and includes the superintendent of banking, the supervisor of savings and loan associations within the office of the auditor of state, and the administrator of the credit union department and the supervisor of industrial loan companies within the office of the auditor of state. However, the powers of administration and enforcement of this chapter shall be exercised only as provided in section 527.3.

Sec. 3. Section five hundred twenty-seven point three (527.3), subsection one (1), Code 1979, is amended to read as follows:

1. For purposes of this chapter the superintendent of banking only shall have the power to issue rules applicable to, to accept and approve or disapprove applications or informational statements from, to conduct hearings and revoke any approvals relating to, and to exercise all other supervisory authority created by this chapter with respect to banks; the supervisor of savings and loan associations only shall have and exercise such powers and authority with respect to savings and loan associations; and the administrator of the credit union department only shall have and exercise such powers and authority with respect to credit unions; and the auditor of state or his or her designee only shall have and exercise such powers and authority with respect to industrial loan companies.

Sec. 4. Section five hundred twenty-seven point four (527.4), Code 1979, is amended to read as follows:

527.4 ESTABLISHMENT OF SATELLITE TERMINALS--RESTRICTIONS.

1. A satellite terminal shall not be established within this state by any financial institution, except one whose principal place of business is located in this state, or one who has a business location licensed in this state under chapter five hundred thirty-six A (536A) of the Code.

2. A financial institution whose licensed or principal place of business is located in this state shall not establish a satellite terminal at any location outside of this state.

3. a. A financial institution may establish any number of satellite terminals within the boundaries of any municipal corporation, or any urban complex composed of two or more Iowa municipal corporations each of which is contiguous to or corners upon at least one of the other municipal corporations within the complex, if the principal place of business or an office of that financial institution is

also located within the boundaries of that municipal corporation or urban complex. A financial institution shall not establish a satellite terminal at any other location except pursuant to an agreement with a financial institution which is authorized by the preceding sentence to establish a satellite terminal at that location and which will utilize the satellite terminal so established.

b. Paragraph a of this subsection does not apply to a corporation licensed under chapter five hundred thirty-six A (536A) of the Code. A corporation licensed under that chapter may establish within the boundaries of a municipal corporation, or an urban complex composed of two or more Iowa municipal corporations each of which is contiguous to or corners upon at least one of the other municipal corporations within the complex, any number of satellite terminals which are satellite terminals of a licensed business location of the corporation which is located within the municipal corporation or urban complex. The corporation shall not establish a satellite terminal at any other location except pursuant to an agreement with another financial institution which is authorized by the preceding sentence to establish a satellite terminal at that location and which utilizes the satellite terminal so established.

Sec. 5. Section five hundred twenty-seven point five (527.5), subsection two (2), unnumbered paragraph one (1), and subsections eight (8) and nine (9), Code 1979, are amended to read as follows:

2. The satellite terminal shall be available for use on a nondiscriminatory basis by any other financial institution which has its principal place of business within this state, and by all customers who have been designated by a financial institution using the satellite terminal and who have been provided with a physical object or other method, approved by the administrator, by which to engage in electronic transactions by means of the satellite terminal. No financial

institution shall be required to join, be a member or shareholder of, or otherwise participate in any corporation, association, partnership, co-operative or other enterprise as a condition of its utilizing any satellite terminal located within this state. However, for purposes of complying with this subsection, a satellite terminal which is established and controlled by a bank is not required to be available for use by any savings and loan association or credit union or industrial loan company; and one established and controlled by a savings and loan association is not required to be available for use by a bank or credit union or industrial loan company; and one established and controlled by a credit union, is not required to be available for use by a bank or savings and loan association or industrial loan company; and one established by an industrial loan company is not required to be available for use by a bank or savings and loan association or credit union.

8. a. A satellite terminal shall not be operated in a manner to permit a person to credit any demand deposit account, savings account, share account, or any other account representing a liability of a financial institution to that person, except transfers between separate accounts of that person with the same financial institution, unless the satellite terminal is located either ~~(a)~~ (1) within the county in which that financial institution maintains its principal place of business or within a county which is contiguous to or corners upon the county in which that financial institution maintains its principal place of business; or ~~(b)~~ (2) within the boundaries of any municipal corporation or any urban complex composed of two or more Iowa municipal corporations each of which is contiguous to or corners upon at least one of the other municipal corporations within the complex, if an office of that financial institution which is not its principal place of business is also located within the boundaries of that municipal corporation or urban complex.

b. Paragraph a of this subsection does not apply to a corporation licensed under chapter five hundred thirty-six A (536A) of the Code. A satellite terminal shall not be operated in a manner to permit a person to credit any demand deposit account, savings account, share account, or any other account representing a liability of a corporation licensed under chapter five hundred thirty-six A (536A) of the Code to the person, except transfers between separate accounts of the person maintained at the same licensed business location of the corporation, unless the satellite terminal is located within the same county in which the licensed business location maintaining the account of that person is located.

9. a. A satellite terminal shall not be operated in any manner to permit a person to credit any demand deposit account, savings account, share account or any other account representing a liability of a financial institution, if that financial institution is located outside of this state.

b. Paragraph a of this subsection does not apply to a corporation licensed under chapter five hundred thirty-six A (536A) of the Code. A satellite terminal shall not be operated in any manner to permit a person to credit an account representing a liability of a corporation licensed under chapter five hundred thirty-six A (536A) of the Code, if the business location of the corporation where the original records pertaining to the person's account are maintained is located outside of this state.

Sec. 6. Section five hundred thirty-three point four (533.4), subsection eighteen (18), Code 1979, is amended to read as follows:

18. Engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses to or from the credit union or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the credit union. Subject to the provisions of chapter 527, a credit union may

utilize, establish or operate, alone or with one or more other credit unions, banks incorporated under the provisions of chapter 524 or ~~the-national-banking-acts-(12-U.S.C.-sections-21-95)~~ federal law, savings and loan associations incorporated under the provisions of chapter 534 or ~~the-Home-Owners'-Loan-Act-of-1933-(12-U.S.C.-sections-1461-1468)~~ federal law, corporations licensed under chapter five hundred thirty-six A (536A) of the Code, or third parties, the satellite terminals permitted under chapter 527, by means of which the credit union may transmit to or receive from any member electronic impulses constituting transactions pursuant to this subsection. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527. Nothing in this subsection shall be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, nor shall anything in this subsection be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any credit union.

Sec. 7. Section five hundred thirty-four point nineteen (534.19), subsection twenty-one (21), Code 1979, is amended to read as follows:

21. ELECTRONIC TRANSACTIONS. Engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses to or from the association or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the association. Subject to the provisions of chapter 527, an association may utilize, establish or operate, alone or with one or more other associations, banks incorporated under the provisions of chapter 524 or ~~the-national-banking-acts-(12-U.S.C.-sections-21-95)~~ federal law, credit unions incorporated under the provisions of chapter 533 or ~~the-federal-Credit-Union-Act-(12-U.S.C.-sections-1761-1799)~~ federal law, corporations licensed under chapter five

hundred thirty-six A (536A) of the Code, or third parties, the satellite terminals permitted under chapter 527, by means of which the association may transmit to or receive from any member electronic impulses constituting transactions pursuant to this subsection. However, such utilization, establishment or operation shall be lawful only when in compliance with chapter 527. Nothing in this subsection shall be construed as authority for any association or other person to engage in transactions not otherwise permitted by applicable law, nor shall anything in this subsection be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any association.

Sec. 8. Chapter five hundred thirty-six A (536A), Code 1979, is amended by adding the following new section:

NEW SECTION. ELECTRONIC TRANSACTIONS. A licensee may engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses or other indicia of a transaction for delayed transmission to the licensee. Subject to the provisions of chapter five hundred twenty-seven (527) of the Code, a licensee may utilize, establish or operate, alone or with one or more other licensees, banks incorporated under the provisions of chapter five hundred twenty-four (524) of the Code or federal law, credit unions incorporated under the provisions of chapter five hundred thirty-three (533) of the Code or federal law, savings and loan associations incorporated under the provisions of chapter five hundred thirty-four (534) of the Code or federal law, or third parties, the satellite terminals permitted under chapter five hundred twenty-seven (527) of the Code, by means of which the licensee may transmit to or receive from any customer electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment or operation is lawful only when in compliance with chapter five hundred

twenty-seven (527) of the Code. Nothing in this section authorizes a licensee or other person to engage in transactions not otherwise permitted by applicable law, nor does anything in this section repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by a licensee.

TERRY E. BRANSTAD
President of the Senate

FLOYD H. MILLEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 211, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved March 26, 1979

ROBERT D. RAY
Governor