

Commerce
Holden, Chairperson
Jensen
DeLuery

Ad. P. 3059, July 23/81

Senate File 58

SENATE FILE

58

BY PRIEBE

Commerce: Egenes, Chair; Hummel and Swartz.

Amend from 3059, No. 1000

Passed Senate, Date 5-2-81 (p. 281) Passed House, Date 2-19-81 (p. 455)

Vote: Ayes 41 Nays 0 Vote: Ayes 94 Nays 0

Repassed Senate 2-25-81 (p. 522)
Approved March 13, 1981
46-0

A BILL FOR

1 An Act amending a provision of the Iowa consumer credit code
2 to allow short-term loans to be repayable in full at the
3 end of the loan term.

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

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SENATE FILE 58

H-3059

1 Amend Senate File 58 as follows:
2 1. Page 1, by striking lines 13 through 21, and
3 inserting in lieu thereof the following: "is three
4 hundred dollars or less. However, a lender may make
5 a loan not pursuant to open end credit that is
6 repayable in a single payment if the amount financed
7 does not exceed one thousand dollars and if the finance
8 charge does not exceed the rate permitted by section
9 537.2301, subsection 1, to be charged by a supervised
10 financial organization."

H-3059 FILED
FEBRUARY 10, 1981
Adopted 2/19 (p. 455)

BY COMMITTEE ON COMMERCE
SCHROEDER of Pottawattamie

1 Section 1. Section 537.2308, Code 1981, is amended to
2 read as follows:

3 537.2308 REGULAR SCHEDULE OF PAYMENTS--MAXIMUM LOAN TERM.
4 Supervised loans, not made pursuant to open end credit and
5 in which the amount financed is one thousand dollars or less,
6 shall be scheduled to be payable in substantially equal
7 installments at substantially equal periodic intervals except
8 to the extent that the schedule of payments is adjusted to
9 the seasonal or irregular income of the debtor, and over a
10 period of not more than thirty-seven months if the amount
11 financed is more than three hundred dollars, or over a period
12 of not more than twenty-five months if the amount financed
13 is three hundred dollars or less. However, supervised loans,
14 not made pursuant to open end credit, in which the amount
15 financed is one thousand dollars or less and the finance
16 charge does not exceed the rate permitted in section 537.2401,
17 subsection 1, shall be scheduled to be payable in one or more
18 payments in not more than thirty-seven months if the amount
19 financed is more than three hundred dollars, or over a period
20 of not more than twenty-five months if the amount financed
21 is three hundred dollars or less.

22 EXPLANATION

23 Language is being added to permit supervised lenders to
24 make single-payment, closed-end consumer loans of \$1000 or
25 less when the rate charged is less than 21 percent per year.
26 The term does not exceed a maximum of 37 months if the amount
27 financed is more than \$300, or a maximum of 25 months if the
28 amount financed is \$300 or less. The bill takes effect July
29 1 following enactment.

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HOUSE AMENDMENT TO SENATE FILE 58

S-3090

1 Amend Senate File 58 as follows:

2 1. Page 1, by striking lines 13 through 21, and
3 inserting in lieu thereof the following: "is three
4 hundred dollars or less. However, a lender may make
5 a loan not pursuant to open end credit that is
6 repayable in a single payment if the amount financed
7 does not exceed one thousand dollars and if the finance
8 charge does not exceed the rate permitted by section
9 537.2401, subsection 1, to be charged by a supervised
10 financial organization."

S-3090 FILED
FEBRUARY 24, 1981

RECEIVED FROM THE HOUSE

Senate concurred 2/25 (p. 572)

thousand dollars and if the finance charge does not exceed the rate permitted by section 537.2401, subsection 1, to be charged by a supervised financial organization.

SENATE FILE 58

AN ACT

AMENDING A PROVISION OF THE IOWA CONSUMER CREDIT CODE TO ALLOW SHORT-TERM LOANS TO BE REPAYABLE IN FULL AT THE END OF THE LOAN TERM.

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

Section 1. Section 537.2306, Code 1981, is amended to read as follows:

537.2306 REGULAR SCHEDULE OF PAYMENTS--MAXIMUM LOAN TERM. Supervised loans, not made pursuant to open end credit and in which the amount financed is one thousand dollars or less, shall be scheduled to be payable in substantially equal installments at substantially equal periodic intervals except to the extent that the schedule of payments is adjusted to the seasonal or irregular income of the debtor, and over a period of not more than thirty-seven months if the amount financed is more than three hundred dollars, or over a period of not more than twenty-five months if the amount financed is three hundred dollars or less. However, a lender may make a loan not pursuant to open end credit that is repayable in a single payment if the amount financed does not exceed one

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 58, Sixty-ninth General Assembly.

LINDA HOWARTH MACKAY
Secretary of the Senate

Approved *March 13*, 1981

ROBERT D. RAY
Governor