

*Reprinted 4/14/81*

FILED FEB 24 1981

SENATE FILE 300

BY COMMITTEE ON COMMERCE

(FORMERLY SSB 134 & 226)

*Approved 2/23 (p. 565)*

Passed Senate, Date 3-23-81 (p. 924) Passed House, Date \_\_\_\_\_

Vote: Ayes 47 Nays 1 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

*Motion to reconsider p. 930 4/10 4/10 (p. 1214)*

## A BILL FOR

1 An Act relating to the powers of banks with respect to the  
2 compensation of directors, permissible accounts and related  
3 charges, places of doing business, permissible investments,  
4 loan charges, contracts for data processing services,  
5 and cash reserve requirements.

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

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1 Section 1. Section 524.610, unnumbered paragraph 1, Code  
2 1981, is amended to read as follows:

3 ~~Subject to the approval of the superintendent, the~~ The  
4 shareholders of a state bank shall fix the compensation of  
5 directors for their services as members of the board of  
6 directors.

7 Sec. 2. Section 524.805, Code 1981, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. A state bank may receive deposits from  
10 one or more persons with the provision that upon the death  
11 of the depositors the deposit account shall be the property  
12 of the person or persons designated by the deceased depositors  
13 as shown on the deposit account records of the state bank.  
14 The account is subject to the debts of the deceased depositors  
15 and the payment of Iowa inheritance tax provided, that upon  
16 the expiration of six months after the date of death of the  
17 deceased depositors, the receipt or acquittance of the persons  
18 designated is a valid and sufficient release and discharge  
19 of the state bank for the delivery of any part or all of the  
20 account.

21 Sec. 3. Section 524.806, Code 1981, is amended to read  
22 as follows:

23 524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS.  
24 When a deposit ~~shall be~~ is made in any state bank in the names  
25 of two or more individuals, payable to ~~either~~ any one or more  
26 of them, or payable to ~~either or~~ the survivor or survivors,  
27 ~~such the~~ deposit, including interest, or any part thereof,  
28 may be paid to ~~either~~ any one or more of ~~such the~~ individuals  
29 whether the ~~other~~ others be living or not, and the receipt  
30 or acquittance of the ~~individual~~ individuals so paid ~~shall~~  
31 ~~be~~ is a valid and sufficient release and discharge to the  
32 state bank for any payment so made.

33 Sec. 4. Section 524.821, subsection 2, Code 1981, is  
34 amended to read as follows:

35 2. A state bank which offers its customers, or any of

1 them, the opportunity to engage in transactions with or through  
2 the bank in the manner authorized by subsection 1 shall not  
3 require any customer to deal with or through the bank in that  
4 manner in lieu of writing checks in the usual manner upon  
5 a conventional checking account, ~~and shall not impose any~~  
6 ~~extraordinary charge upon customers who choose to write checks~~  
7 ~~in the usual manner upon a conventional checking account~~  
8 ~~maintained at that bank.~~

9 Sec. 5. Section 524.905, Code 1981, is amended by adding  
10 the following new subsection:

11 NEW SUBSECTION. When an installment of a loan made pursuant  
12 to this section is not paid when due, a state bank may collect  
13 a single delinquency charge, in an amount not to exceed the  
14 greater of five percent of the installment or five dollars,  
15 for each installment in arrears for a period of more than  
16 fifteen days, provided that a delinquency charge shall not  
17 be made if the delinquency is caused by acceleration or by  
18 application of an otherwise timely payment to a prior  
19 delinquent installment.

20 Sec. 6. Section 524.1201, Code 1981, is amended to read  
21 as follows:

22 524.1201 GENERAL PROVISIONS. No bank shall open or  
23 maintain a branch bank. A state bank may establish and operate  
24 bank offices subject to approval and regulation of the  
25 superintendent and to the restrictions upon location and  
26 number imposed by section 524.1202. A bank office may furnish  
27 all banking services ordinarily furnished to customers and  
28 depositors at the principal place of business of the state  
29 bank which operates the office, and a bank office manager  
30 or an officer of the bank shall be physically present at each  
31 bank office during a majority of its business hours. The  
32 central executive and official business and principal record-  
33 keeping functions of a state bank shall be exercised only  
34 at its principal place of business, except that data processing  
35 services referred to in section 524.804 may be performed for

1 the state bank at some other point. All transactions of a  
2 bank office shall be immediately transmitted to the principal  
3 place of business of the state bank which operates the office,  
4 and no current record-keeping functions shall be maintained  
5 at a bank office except to the extent the state bank which  
6 operates the office deems it desirable to keep there duplicates  
7 of the records kept at the principal place of business of  
8 the state bank.

9 Sec. 7. Section 524.1202, subsection 2, Code 1981, is  
10 amended by striking the subsection and inserting in lieu  
11 thereof the following:

12 2. a. A state bank may establish bank offices within  
13 the municipal corporation or urban complex in which the  
14 principal place of business of the bank is located, subject  
15 to the following conditions and limitations:

16 (1) If the municipal corporation has a population of fifty  
17 thousand or less according to the most recent federal census,  
18 the state bank shall not establish more than three bank  
19 offices.

20 (2) If the municipal corporation or urban complex has  
21 a population of more than fifty thousand but not more than  
22 one hundred thousand according to the most recent federal  
23 census, the state bank shall not establish more than three  
24 bank offices.

25 (3) If the municipal corporation or urban complex has  
26 a population of more than one hundred thousand but not more  
27 than two hundred thousand according to the most recent federal  
28 census, the state bank shall not establish more than four  
29 bank offices.

30 (4) If the municipal corporation or urban complex has  
31 a population of more than two hundred thousand according to  
32 the most recent federal census, the state bank shall not  
33 establish more than five bank offices.

34 b. For purposes of this subsection, "urban complex" means  
35 the geographic area bounded by the corporate limits of two

1 or more municipal corporations, each of which being contiguous  
2 to or cornering upon at least one of the other municipal  
3 corporations within the complex. A state bank located in  
4 a municipal corporation or urban complex which is located  
5 on a boundary of this state and contiguous to a municipal  
6 corporation in another state may have one bank office in  
7 addition to the number of bank offices permitted by paragraph  
8 a; provided that nothing contained in this paragraph authorizes  
9 a state bank to establish a bank office outside of the  
10 boundaries of this state.

11 c. One such facility located in the proximity of a state  
12 bank's principal place of business may be found by the  
13 superintendent to be an integral part of the principal place  
14 of business, and not a bank office within the meaning of this  
15 section. This paragraph does not authorize more than one  
16 facility to be found to be an integral part of a bank's  
17 principal place of business.

18 d. One such facility that is located on the same property,  
19 or that is adjacent to or cornering upon the property on which  
20 an office of a bank is located, or that is separated from  
21 being adjacent to or cornering upon the property only by a  
22 street, alley, or other publicly owned right of way, may be  
23 found by the superintendent to be an integral part of that  
24 office location and not a separate bank office within the  
25 meaning of this section. This paragraph does not authorize  
26 more than one facility to be found to be an integral part  
27 of a bank office.

28 Sec. 8. Section 524.1212, Code 1981, is amended to read  
29 as follows:

30 524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank  
31 may utilize a satellite terminal, as defined in section 527.2,  
32 when that satellite terminal is lawfully being operated, at  
33 any location within this state. A satellite terminal  
34 ~~authorized by~~ which complies with the requirements of chapter  
35 527 shall ~~is~~ is not be a branch bank or an office of a bank and

1 is not subject to the restrictions on location or number set  
2 forth in section 524.1202. Any transaction engaged in through  
3 the use of a satellite terminal shall be deemed to take place  
4 at the principal place of business of a bank whose accounts  
5 and records are affected by the transaction.

6 Sec. 9. Section 524.218, subsection 2, Code 1981, is  
7 amended by striking the subsection.

8 Sec. 10. Section 524.901, subsection 2, paragraph e, Code  
9 1981, is amended by striking the paragraph.

10 Sec. 11. Sections 524.816 and 524.817, Code 1981, are  
11 repealed.

12 EXPLANATION

13 This bill makes various changes in the Iowa Banking Act,  
14 chapter 524 of the Code.

15 Section 1 deletes the requirement that the superintendent  
16 of banking approve the compensation set by stockholders for  
17 state bank directors.

18 Section 2 authorizes state banks to maintain deposit  
19 accounts payable on the death of the depositor to a person  
20 or persons not previously owning the account.

21 Section 3 authorizes the maintenance of jointly-owned  
22 deposit accounts in the names of more than two individuals.

23 Section 4 deletes a requirement interpreted as prohibiting  
24 state banks from passing on to customers the cost benefits  
25 of electronic transfers.

26 Section 5 expressly authorizes state banks to impose late  
27 charges on delinquent real estate loans.

28 Section 6 requires a bank office manager or bank officer  
29 to be present at every bank office during a majority of its  
30 business hours.

31 Section 7 amends the provision that limits the number of  
32 bank offices that a bank may establish. Generally speaking,  
33 the section authorizes an additional office for each bank.  
34 The section modifies the formula that determines the number  
35 of permissible offices, and eliminates the requirement for

1 off-street parking. The amendment also authorizes the  
2 superintendent to find that a facility is an integral part  
3 of an existing office and thus not a separate office, if  
4 certain conditions exist.

5 Section 8 provides that a satellite terminal which actually  
6 complies with the requirements of chapter 527 of the Code  
7 is not a bank branch or office for purposes of the state  
8 banking laws.

9 Section 9 strikes a requirement that the superintendent  
10 of banking approve contracts of a state bank relating to the  
11 purchase of data processing services.

12 Section 10 strikes a requirement that the superintendent  
13 of banking approve investment by a bank of more than 20 percent  
14 of its capital and surplus in bonds issued by any one  
15 municipality.

16 Section 11 repeals two sections which impose cash reserve  
17 requirements on banks.

18 The bill takes effect July 1 following enactment.

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SENATE FILE 300

S-3131

- 1 Amend Senate File 300 as follows:  
2 1. Page 2, by striking lines 5 through 8 and  
3 inserting in lieu thereof the following: "a  
4 conventional checking account, and shall not impose  
5 any extraordinary charge upon customers who choose  
6 to write checks in the usual manner upon a conventional  
7 checking account maintained at that bank. However,  
8 if a person chooses to write checks in the usual  
9 manner upon a conventional checking account maintained  
10 at a bank, the bank may impose a charge which shall  
11 not be more than an amount necessary to enable the  
12 bank to recover the actual costs incurred by the bank  
13 in providing the service, and the superintendent shall  
14 verify the necessity of the charge at the time the  
15 bank is audited."

S-3131 FILED  
MARCH 4, 1981

*Adopted 3/6 (p. 689)*

BY BERL E. PRIEBE  
EDGAR H. HOLDEN

SENATE FILE 300

S-3143

- 1 Amend Senate File 300 as follows:  
2 1. Page 3, lines 32 and 33 by striking the  
3 words "not establish more than five bank offices"  
4 and inserting in lieu thereof the words "determine  
5 the number of branch offices".

S-3143 FILED  
MARCH 6, 1981

*Adopt 3/23 (p. 924)*

BY WILLIAM D. PALMER

SENATE FILE 300

S-3149

- 1 Amend Senate File 300 as follows:  
2 1. Page 2, by striking lines 9 through 19.

S-3149 FILED  
MARCH 6, 1981

*Adopt 3/23 (p. 423)*

BY ROBERT M. CARR

SENATE FILE 300

S-3241

- 1 Amend Senate File 300 as follows:  
2 1. Page 2, by inserting after line 8 the  
3 following:  
4 "Sec. \_\_\_\_ . Section 524.904, subsection 4, Code 1981,  
5 is amended by adding the following new paragraph:  
6 NEW PARAGRAPH. Obligations of the customer equal in  
7 dollar amount to the amount of deposits in the state  
8 bank, held in the name of that customer, which the state  
9 bank may lawfully offset against the obligations of that  
10 customer in the event of default. For the purpose of this  
11 paragraph an amount deposited in the name of more than one  
12 customer shall be counted only once with respect to all  
13 such customers, allocated as the customers may determine."

S-3241 FILED & ADOPTED  
MARCH 23, 1981 (p. 122)

BY EDGAR H. HOLDEN



1 Section 1. Section 524.610, unnumbered paragraph 1, Code  
2 1981, is amended to read as follows:

3 ~~Subject to the approval of the superintendent, the~~ The  
4 shareholders of a state bank shall fix the compensation of  
5 directors for their services as members of the board of  
6 directors.

7 Sec. 2. Section 524.805, Code 1981, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. A state bank may receive deposits from  
10 one or more persons with the provision that upon the death  
11 of the depositors the deposit account shall be the property  
12 of the person or persons designated by the deceased depositors  
13 as shown on the deposit account records of the state bank.  
14 The account is subject to the debts of the deceased depositors  
15 and the payment of Iowa inheritance tax provided, that upon  
16 the expiration of six months after the date of death of the  
17 deceased depositors, the receipt or acquittance of the persons  
18 designated is a valid and sufficient release and discharge  
19 of the state bank for the delivery of any part or all of the  
20 account.

21 Sec. 3. Section 524.806, Code 1981, is amended to read  
22 as follows:

23 524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS.

24 When a deposit ~~shall be~~ is made in any state bank in the names  
25 of two or more individuals, payable to ~~either~~ any one or more  
26 of them, or payable to ~~either or~~ the survivor or survivors,  
27 ~~such~~ the deposit, including interest, or any part thereof,  
28 may be paid to ~~either~~ any one or more of ~~such~~ the individuals  
29 whether the ~~other~~ others be living or not, and the receipt  
30 or acquittance of the ~~individual~~ individuals so paid ~~shall~~  
31 ~~be~~ is a valid and sufficient release and discharge to the  
32 state bank for any payment so made.

33 3700 Sec. 4. Section 524.821, subsection 2, Code 1981, is  
34 amended to read as follows:

35 2. A state bank which offers its customers, or any of

1 them, the opportunity to engage in transactions with or through  
2 the bank in the manner authorized by subsection 1 shall not  
3 require any customer to deal with or through the bank in that  
4 manner in lieu of writing checks in the usual manner upon  
5 a conventional checking account, and shall not impose any  
6 extraordinary charge upon customers who choose to write checks  
7 in the usual manner upon a conventional checking account  
8 maintained at that bank. However, if a person chooses to  
9 write checks in the usual manner upon a conventional checking  
10 account maintained at a bank, the bank may impose a charge  
11 which shall not be more than an amount necessary to enable  
12 the bank to recover the actual costs incurred by the bank  
13 in providing the service, and the superintendent shall verify  
14 the necessity of the charge at the time the bank is audited.

15 Sec. 5. Section 524.904, subsection 4, Code 1981, is  
16 amended by adding the following new paragraph:

17 NEW PARAGRAPH. Obligations of the customer equal in dollar  
18 amount to the amount of deposits in the state bank, held in  
19 the name of that customer, which the state bank may lawfully  
20 offset against the obligations of that customer in the event  
21 of default. For the purpose of this paragraph an amount  
22 deposited in the name of more than one customer shall be  
23 counted only once with respect to all such customers, allocated  
24 as the customers may determine.

25 Sec. 6. Section 524.905, Code 1981, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. When an installment of a loan made pursuant  
28 to this section is not paid when due, a state bank may collect  
29 a single delinquency charge, in an amount not to exceed the  
30 greater of five percent of the installment or five dollars,  
31 for each installment in arrears for a period of more than  
32 fifteen days, provided that a delinquency charge shall not  
33 be made if the delinquency is caused by acceleration or by  
34 application of an otherwise timely payment to a prior  
35 delinquent installment.

1 Sec. 7. Section 524.1201, Code 1981, is amended to read  
2 as follows:

3 524.1201 GENERAL PROVISIONS. No bank shall open or  
4 maintain a branch bank. A state bank may establish and operate  
5 bank offices subject to approval and regulation of the  
6 superintendent and to the restrictions upon location and  
7 number imposed by section 524.1202. A bank office may furnish  
8 all banking services ordinarily furnished to customers and  
9 depositors at the principal place of business of the state  
10 bank which operates the office, and a bank office manager  
11 or an officer of the bank shall be physically present at each  
12 bank office during a majority of its business hours. The  
13 central executive and official business and principal record-  
14 keeping functions of a state bank shall be exercised only  
15 at its principal place of business, except that data processing  
16 services referred to in section 524.804 may be performed for  
17 the state bank at some other point. All transactions of a  
18 bank office shall be immediately transmitted to the principal  
19 place of business of the state bank which operates the office,  
20 and no current record-keeping functions shall be maintained  
21 at a bank office except to the extent the state bank which  
22 operates the office deems it desirable to keep there duplicates  
23 of the records kept at the principal place of business of  
24 the state bank.

25 Sec. 8. Section 524.1202, subsection 2, Code 1981, is  
26 amended by striking the subsection and inserting in lieu  
27 thereof the following:

28 2. a. A state bank may establish bank offices within  
29 the municipal corporation or urban complex in which the  
30 principal place of business of the bank is located, subject  
31 to the following conditions and limitations:

32 (1) If the municipal corporation has a population of fifty  
33 thousand or less according to the most recent federal census,  
34 the state bank shall not establish more than three bank  
35 offices.

1 (2) If the municipal corporation or urban complex has  
2 a population of more than fifty thousand but not more than  
3 one hundred thousand according to the most recent federal  
4 census, the state bank shall not establish more than three  
5 bank offices.

6 (3) If the municipal corporation or urban complex has  
7 a population of more than one hundred thousand but not more  
8 than two hundred thousand according to the most recent federal  
9 census, the state bank shall not establish more than four  
10 bank offices.

11 (4) If the municipal corporation or urban complex has  
12 a population of more than two hundred thousand according to  
13 the most recent federal census, the state bank shall not  
14 establish more than five bank offices.

15 b. For purposes of this subsection, "urban complex" means  
16 the geographic area bounded by the corporate limits of two  
17 or more municipal corporations, each of which being contiguous  
18 to or cornering upon at least one of the other municipal  
19 corporations within the complex. A state bank located in  
20 a municipal corporation or urban complex which is located  
21 on a boundary of this state and contiguous to a municipal  
22 corporation in another state may have one bank office in  
23 addition to the number of bank offices permitted by paragraph  
24 a; provided that nothing contained in this paragraph authorizes  
25 a state bank to establish a bank office outside of the  
26 boundaries of this state.

27 c. One such facility located in the proximity of a state  
28 bank's principal place of business may be found by the  
29 superintendent to be an integral part of the principal place  
30 of business, and not a bank office within the meaning of this  
31 section. This paragraph does not authorize more than one  
32 facility to be found to be an integral part of a bank's  
33 principal place of business.

34 d. One such facility that is located on the same property,  
35 or that is adjacent to or cornering upon the property on which

1 an office of a bank is located, or that is separated from  
2 being adjacent to or cornering upon the property only by a  
3 street, alley, or other publicly owned right of way, may be  
4 found by the superintendent to be an integral part of that  
5 office location and not a separate bank office within the  
6 meaning of this section. This paragraph does not authorize  
7 more than one facility to be found to be an integral part  
8 of a bank office.

9 Sec. 9. Section 524.1212, Code 1981, is amended to read  
10 as follows:

11 524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank  
12 may utilize a satellite terminal, as defined in section 527.2,  
13 when that satellite terminal is lawfully being operated, at  
14 any location within this state. A satellite terminal  
15 ~~authorized by~~ which complies with the requirements of chapter  
16 527 shall is not be a branch bank or an office of a bank and  
17 is not subject to the restrictions on location or number set  
18 forth in section 524.1202. Any transaction engaged in through  
19 the use of a satellite terminal shall be deemed to take place  
20 at the principal place of business of a bank whose accounts  
21 and records are affected by the transaction.

3757> 22 Sec. 10. Section 524.218, subsection 2, Code 1981, is  
23 amended by striking the subsection.

24 Sec. 11. Section 524.901, subsection 2, paragraph e, Code  
25 1981, is amended by striking the paragraph.

3707 26 Sec. 12. Sections 524.816 and 524.817, Code 1981, are  
27 repealed.

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SENATE FILE 300

H-3707

1 Amend Senate File 300, as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. By striking page 1, line 33 through page 2,  
4 line 14.

5 2. Page 2, line 18, by striking the word "deposits"  
6 and inserting in lieu thereof the words "time  
7 certificates of deposit".

8 3. Page 2, line 22, by striking the word  
9 "deposited" and inserting in lieu thereof the words  
10 "held in a time certificate of deposit".

11 4. Page 5, by inserting after line 21 the  
12 following:

13 "Sec. 10. Chapter 524, division VIII, Code 1981,  
14 is amended by adding the following new section:

15 NEW SECTION. A state bank may act as an escrow  
16 agent, and may receive deposits and make disbursements  
17 from deposits in that capacity. The state bank shall  
18 be deemed to be acting in a fiduciary capacity with  
19 respect to these funds. A bank which maintains an  
20 escrow account with respect to real property which  
21 is mortgaged to the bank, whether or not the mort-  
22 gage has been assigned to a third person, shall deliver  
23 to the mortgagor a written summary of all transactions  
24 made with respect to the loan and escrow accounts  
25 during each calendar year. However, the mortgagor  
26 and mortgagee may, by mutual agreement, select a  
27 fiscal year reporting period other than the calendar  
28 year. The summary shall be delivered or mailed not  
29 later than thirty days following the year to which  
30 disclosure relates. The summary shall contain all  
31 of the following information:

32 1. The name and address of the mortgagee.

33 2. The name and address of the mortgagor.

34 3. A summary of escrow account activity during  
35 the year as follows:

36 a. The balance of the escrow account at the  
37 beginning of the year.

38 b. The aggregate amount of deposits to the escrow  
39 account during the year.

40 c. The aggregate amount of withdrawals from the  
41 escrow account for each of the following categories:

42 (1) Payments against loan principal.

43 (2) Payments against interest.

44 (3) Payments against real estate taxes.

45 (4) Payments for real property insurance premiums.

46 (5) All other withdrawals.

47 d. The balance of the escrow account at the end  
48 of the year.

49 4. A summary of loan principal for the year as  
50 follows:

1 a. The amount of principal outstanding at the  
2 beginning of the year.

3 b. The aggregate amount of payments against  
4 principal during the year.

5 c. The amount of principal outstanding at the  
6 end of the year.

7 Sec. 11. Chapter 533, Code 1981, is amended by  
8 adding the following new section:

9 NEW SECTION. A credit union may act as an escrow  
10 agent, and may receive deposits and make disbursements  
11 from deposits in that capacity. The credit union  
12 shall be deemed to be acting in a fiduciary capacity  
13 with respect to these funds. A credit union which  
14 maintains an escrow account with respect to real  
15 property which is mortgaged to the credit union,  
16 whether or not the mortgage has been assigned to a  
17 third person, shall deliver to the mortgagor a written  
18 summary of all transactions made with respect to the  
19 loan and escrow accounts during each calendar year.  
20 However, the mortgagor and mortgagee may, by mutual  
21 agreement, select a fiscal year reporting period other  
22 than the calendar year.

23 The summary shall be delivered or mailed not later  
24 than thirty days following the year to which the  
25 disclosure relates. The summary shall contain all  
26 of the following information:

27 1. The name and address of the mortgagee.

28 2. The name and address of the mortgagor.

29 3. A summary of escrow account activity during  
30 the year as follows:

31 a. The balance of the escrow account at the  
32 beginning of the year.

33 b. The aggregate amount of deposits to the escrow  
34 account during the year.

35 c. The aggregate amount of withdrawals from the  
36 escrow account for each of the following categories:

37 (1) Payments against loan principal.

38 (2) Payments against interest.

39 (3) Payments against real estate taxes.

40 (4) Payments for real property insurance premiums.

41 (5) All other withdrawals.

42 d. The balance of the escrow account at the end  
43 of the year.

44 4. A summary of loan principal for the year as  
45 follows:

46 a. The amount of principal outstanding at the  
47 beginning of the year.

48 b. The aggregate amount of payments against  
49 principal during the year.

50 c. The amount of principal outstanding at the

H-3707  
Page Three

1 end of the year.

2 Sec. 12. Chapter 534, Code 1981, is amended by  
3 adding the following new section:

4 NEW SECTION. A savings and loan association may  
5 act as an escrow agent, and may receive deposits and  
6 make disbursements from deposits in that capacity.  
7 The association shall be deemed to be acting in a  
8 fiduciary capacity with respect to these funds. A  
9 savings and loan association which maintains an escrow  
10 account with respect to real property which is  
11 mortgaged to the association, whether or not the  
12 mortgage has been assigned to a third person, shall  
13 deliver to the mortgagor a written summary of all  
14 transactions made with respect to the loan and escrow  
15 accounts during each calendar year. However, the  
16 mortgagor and mortgagee may, by mutual agreement,  
17 select a fiscal year reporting period other than the  
18 calendar year.

19 The summary shall be delivered or mailed not later  
20 than thirty days following the year to which the  
21 disclosure relates. The summary shall contain all  
22 of the following information:

- 23 1. The name and address of the mortgagee.
- 24 2. The name and address of the mortgagor.
- 25 3. A summary of escrow account activity during  
26 the year as follows:
  - 27 a. The balance of the escrow account at the  
28 beginning of the year.
  - 29 b. The aggregate amount of deposits to the escrow  
30 account during the year.
  - 31 c. The aggregate amount of withdrawals from the  
32 escrow account for each of the following categories:
    - 33 (1) Payments against loan principal.
    - 34 (2) Payments against interest.
    - 35 (3) Payments against real estate taxes.
    - 36 (4) Payments for real property insurance premiums.
    - 37 (5) All other withdrawals.
  - 38 d. The balance of the escrow account at the end  
39 of the year.

40 4. A summary of loan principal for the year as  
41 follows:

- 42 a. The amount of principal outstanding at the  
43 beginning of the year.
- 44 b. The aggregate amount of payments against  
45 principal during the year.
- 46 c. The amount of principal outstanding at the  
47 end of the year."

48 5. Page 5, by striking lines 26 and 27.

49 6. Page 5, by inserting after line 27 the A  
50 following:

H-3707  
Page Four

1 "Sec. \_\_\_\_\_. Section 8 of this Act takes effect  
2 July 1, 1983. \_\_\_\_\_ R

3 Sec. \_\_\_\_\_. Sections 10 through 12 of this Act apply <sup>(b)</sup>  
4 to mortgage loan accounts which are in existence as  
5 of the effective date of this Act and those which  
6 are established after the effective date of this Act.  
7 The disclosures required by sections 10 through 12  
8 of this Act apply only with respect to calendar or  
9 fiscal years commencing on or after the effective  
10 date of this Act."

11 7. By renumbering sections of the bill. \_\_\_\_\_ R

12 8. Amend the title, line 1, by inserting after  
13 the words "relating to" the words "depository financial <sup>(b)</sup>  
14 institutions, and including requirements for written  
15 disclosure of transactions on mortgage loan escrow  
16 accounts, and including provisions relating to".

H-3707 FILED  
APRIL 16, 1981

BY COMMITTEE ON COMMERCE  
SCHROEDER, Chair

B. H/L 4/27/81 (p. 1443)  
A. Adopted 4/27/81 (p. 1443)

SENATE FILE 300

8801

1 Amend the Committee amendment, H-3707, to Senate  
2 File 300 as follows:

3 1. Page 1, by inserting after line 2 the following:

4 "\_\_\_\_\_. Page 1, by inserting after line 6 the  
5 following:

6 "Sec. \_\_\_\_\_. Section 524.706, subsection 1,  
7 paragraph a, subparagraph (1), Code 1981, is amended  
8 to read as follows:

9 (1) ~~Such An amount as the bank is permitted to~~  
10 ~~lend pursuant to section 524.905, subsection 2, if,~~  
11 ~~at the time such obligation is incurred, it is~~ secured  
12 by a first lien on a dwelling which is expected, after  
13 the obligation is incurred, to be owned by the  
14 executive officer and used by him as his the officer's  
15 residence, provided that ~~at the time~~ after the loan  
16 is made there is no other loan by the bank to the  
17 executive officer, under authority of this  
18 subparagraph, outstanding; and".

19 2. Page 1, line 10, by striking the words "held  
20 in" and inserting in lieu thereof the words "evidenced  
21 by".

22 3. By striking page 1, line 11 through page 4,  
23 line 10 and inserting in lieu thereof the following:

24 "\_\_\_\_\_. Page 2, by striking lines 25 through 35  
25 and inserting in lieu thereof the following:

26 "Sec. \_\_\_\_\_. Section 524.905, Code 1981, is amended  
27 by striking the section and inserting in lieu thereof  
28 the following:

29 524.905 LOANS ON REAL PROPERTY. A state bank  
30 may make permanent loans, construction loans or  
31 combined construction and permanent loans, secured  
32 by liens on real property. The superintendent shall  
33 adopt such rules as may be advisable to insure the  
34 safety and soundness of loans made under authority  
35 of this section and to insure full and fair disclosure  
36 to the borrowers of the effects of provisions in  
37 agreements for loans made under authority of this  
38 section, including provisions permitting change or  
39 adjustment of any terms of a loan, provisions  
40 permitting, requiring or prohibiting repayment of  
41 a loan on a basis other than of equal periodic  
42 installments of interest plus principal over a fixed  
43 term, provisions imposing penalties for the borrower's  
44 noncompliance with requirements of a loan agreement,  
45 or specific provisions which allow or require a  
46 borrower to choose from alternative courses of action  
47 at any time during the effectiveness of a loan  
48 agreement."

49 \_\_\_\_\_. Page 5, by inserting after line 27 the  
50 following:

H-3801  
Page 2

1 "Sec. \_\_\_\_\_. Chapter 535B, Code 1981, is repealed.  
2 Sec. \_\_\_\_\_. Section 8 of this Act takes effect  
3 July 1, 1983.""  
4 4. Page 4, by striking lines 12 through 16 and  
5 inserting in lieu thereof the following:  
6 "\_\_\_\_\_. Amend the title, line 4, by striking the  
7 words "loan charges" and inserting in lieu thereof  
8 the words "loans secured by real property".  
9 5. By renumbering items of the amendment as  
10 necessary.

H-3801 FILED APRIL 23, 1981 BY SHULL of Warren  
3808 substituted 4/27/81 (p 1441) CHIODO of Polk  
SCHROEDER of Pottawattamie

SENATE FILE 300

H-4319

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, line 30, by striking the words "five
- 4 percent" and inserting in lieu thereof the words
- 5 "three percent".

H-4319 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2095)*

SENATE FILE 300

H-4320

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by striking lines 29 and 30 and
- 4 inserting in lieu thereof the following: "a single
- 5 delinquency charge".

H-4320 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2095)*

SENATE FILE 300

H-4321

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by striking lines 21 through 24 and
- 4 inserting in lieu thereof the words "of default."

H-4321 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4322

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, line 18, by inserting after the word
- 4 "deposits" the following: "and time certificates of
- 5 deposit".

H-4322 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4323

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, line 13, by inserting after the word
- 4 "service," the words "plus a reasonable profit,".

H-4323 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4314

- 1 Amend Senate File 300, as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by striking lines 15 through 24.

H-4314 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4315

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 5, by inserting after line 27 the
- 4 following:
- 5 "Sec. \_\_\_\_\_. Section 8 of this Act shall not take
- 6 effect until such time as all bank offices allowed
- 7 as of July 1, 1981, are in use."

H-4315 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4316

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 5, by inserting after line 27 the following:
- 4 "Sec. \_\_\_\_\_. Section 8 of this Act takes effect
- 5 July 1, 1983."

H-4316 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4317

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 3, by striking line 25 through page 5,
- 4 line 8.

H-4317 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4318

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 3, by striking lines 1 through 24.

H-4318 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H 308

1 Amend the Committee amendment, H-3707, to Senate  
2 File 300 as follows:  
3 1. Page 1, by inserting after line 2 the following:  
4 "\_\_\_\_\_. Page 1, by inserting after line 6 the  
5 following:  
6 "Sec. \_\_\_\_\_. Section 524.706, subsection 1,  
7 paragraph a, subparagraph (1), Code 1981, is amended  
8 to read as follows:  
9 (1) ~~Such An amount as the bank is permitted to~~  
10 ~~lend pursuant to section 524.905, subsection 2, of,~~  
11 ~~at the time such obligation is incurred, it is~~ secured  
12 by a first lien on a dwelling which is expected, after  
13 the obligation is incurred, to be owned by the  
14 executive officer and used by him as his the officer's  
15 residence, provided that ~~at the time after the loan~~  
16 is made there is no other loan by the bank to the  
17 executive officer, under authority of this  
18 subparagraph, outstanding; and".  
19 2. Page 1, line 10, by striking the words "held  
20 in" and inserting in lieu thereof the words "evidenced  
21 by".  
22 3. By striking page 1, line 11 through page 4,  
23 line 10 and inserting in lieu thereof the following:  
24 "\_\_\_\_\_. Page 2, by striking lines 25 through 35  
25 and inserting in lieu thereof the following:  
26 "Sec. \_\_\_\_\_. Section 524.905, Code 1981, is amended  
27 by striking the section and inserting in lieu thereof  
28 the following:  
29 524.905 LOANS ON REAL PROPERTY. A state bank  
30 may make permanent loans, construction loans or  
31 combined construction and permanent loans, secured  
32 by liens on real property. The superintendent shall  
33 adopt such rules as may be advisable to insure the  
34 safety and soundness of loans made under authority  
35 of this section and to insure full and fair disclosure  
36 to the borrowers of the effects of provisions in  
37 agreements for loans made under authority of this  
38 section, including provisions permitting change or  
39 adjustment of any terms of a loan, provisions  
40 permitting, requiring or prohibiting repayment of  
41 a loan on a basis other than of equal periodic  
42 installments of interest plus principal over a fixed  
43 term, provisions imposing penalties for the borrower's  
44 noncompliance with requirements of a loan agreement,  
45 or specific provisions which allow or require a  
46 borrower to choose from alternative courses of action  
47 at any time during the effectiveness of a loan  
48 agreement.  
49 Sec. \_\_\_\_\_. Section 534.21, Code 1981, is amended  
50 by striking the section and inserting in lieu thereof

H-3808  
Page 2

1 the following:

2 534.21 REAL ESTATE LOANS. An association may  
3 make real estate loans, including but not limited  
4 to permanent loans, construction loans or combined  
5 construction and permanent loans. The supervisor  
6 shall adopt such rules as may be advisable to insure  
7 the safety and soundness of loans made under authority  
8 of this section and to insure full and fair disclosure  
9 to the borrowers of the effects of provisions in  
10 agreements for loans made under authority of this  
11 section, including provisions permitting change or  
12 adjustment of any terms of a loan, provisions  
13 permitting, requiring or prohibiting repayment of  
14 a loan on a basis other than of equal periodic  
15 installments of interest plus principal over a fixed  
16 term, provisions imposing penalties for the borrower's  
17 noncompliance with requirements of a loan agreement,  
18 or specific provisions which allow or require a  
19 borrower to choose from alternative courses of action  
20 at any time during the effectiveness of a loan  
21 agreement.

22 "\_\_\_\_\_. Page 5, by inserting after line 27 the  
23 following:

24 "Sec. \_\_\_\_\_. Chapter 535B, Code 1981, is repealed.

25 Sec. \_\_\_\_\_. Section 8 of this Act takes effect  
26 July 1, 1983."

27 4. Page 4, by striking lines 12 through 16 and  
28 inserting in lieu thereof the following:

29 "\_\_\_\_\_. Amend the title, line 4, by striking the  
30 words "loan charges" and inserting in lieu thereof  
31 the words "loans secured by real property".

32 5. By renumbering items of the amendment as  
33 necessary.

H-3808 FILED APRIL 24, 1981 BY SHULL of Warren  
*Ruled not germane 4/27/81 (g. 1443)* CHIODO of Polk  
SCHROEDER of Pottawattamie

SENATE FILE 300

H-4324

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by striking lines 13 and 14 and
- 4 inserting in lieu thereof the following: "in providing
- 5 the service."

H-4324 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2095)*

SENATE FILE 300

H-4325

- 1 Amend Senate File 300 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by striking line 10 and inserting in
- 4 lieu thereof the following: "account maintained at a
- 5 bank, or uses a credit card in the usual manner, the
- 6 bank may impose a charge".

H-4325 FILED MAY 20, 1981

BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4331

- 1 Amend amendment H-4315 to Senate File 300, as
- 2 amended, passed and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, line 7, by inserting after the word
- 5 "use." the following: "However, no bank shall have
- 6 an additional bank office under section 8 of this
- 7 Act if the bank controls more than five percent of
- 8 the total deposits of all banks in the state or
- 9 belongs to a holding company which controls more than
- 10 five percent of the total deposits of all banks in
- 11 the state."

H-4331 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2093)*

SENATE FILE 300

H-4332

- 1 Amend amendment H-4316 to Senate File 300, as
- 2 amended, passed and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, line 5, by striking the number "1983"
- 5 and inserting in lieu thereof the number "1985".

H-4332 FILED MAY 20, 1981 BY CHIODO of Polk

*Placed out of order (p. 2093)*

HOUSE AMENDMENT TO SENATE FILE 300

S-3836

- 1 Amend Senate File 300, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. By striking page 1, line 33 through page 2,
- 4 line 14.
- 5 2. Page 2, line 18, by striking the word "deposits"
- 6 and inserting in lieu thereof the words "time
- 7 certificates of deposit".
- 8 3. Page 2, line 22, by striking the word
- 9 "deposited" and inserting in lieu thereof the words
- 10 "held in a time certificate of deposit".
- 11 4. Page 5, by inserting after line 27 the
- 12 following:
- 13 "Sec. \_\_\_\_ . Section 8 of this Act takes effect
- 14 July 1, 1983."
- 15 5. By renumbering sections of the bill.

S-3836 FILED  
MAY 21, 1981

RECEIVED FROM THE HOUSE

*Senate concurred 5/22/81 (p 1822)*

SENATE FILE 300

AN ACT

RELATING TO THE POWERS OF BANKS WITH RESPECT TO THE COMPEN-  
SATION OF DIRECTORS, PERMISSIBLE ACCOUNTS AND RELATED  
CHARGES, PLACES OF DOING BUSINESS, PERMISSIBLE INVESTMENTS,  
LOAN CHARGES, CONTRACTS FOR DATA PROCESSING SERVICES, AND  
CASH RESERVE REQUIREMENTS.

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

Section 1. Section 524.610, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Subject to the approval of the superintendent, the~~ The shareholders of a state bank shall fix the compensation of directors for their services as members of the board of directors.

Sec. 2. Section 524.805, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. A state bank may receive deposits from one or more persons with the provision that upon the death of the depositors the deposit account shall be the property of the person or persons designated by the deceased depositors as shown on the deposit account records of the state bank.

The account is subject to the debts of the deceased depositors and the payment of Iowa inheritance tax provided, that upon the expiration of six months after the date of death of the deceased depositors, the receipt or acquittance of the persons designated is a valid and sufficient release and discharge of the state bank for the delivery of any part or all of the account.

Sec. 3. Section 524.806, Code 1981, is amended to read as follows:

524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS. When a deposit ~~shall be~~ is made in any state bank in the names of two or more individuals, payable to ~~either any one or more of them, or payable to either or~~ either or the survivor or survivors, ~~such the~~ such the deposit, including interest, or any part thereof, may be paid to ~~either any one or more of such the~~ either any one or more of such the individuals whether the ~~other others~~ other be living or not, and the receipt or acquittance of the ~~individual individuals~~ individual so paid ~~shall be~~ is a valid and sufficient release and discharge to the state bank for any payment so made.

Sec. 4. Section 524.904, subsection 4, Code 1981, is amended by adding the following new paragraph:

NEW PARAGRAPH. Obligations of the customer equal in dollar amount to the amount of time certificates of deposit in the state bank, held in the name of that customer, which the state bank may lawfully offset against the obligations of that customer in the event of default. For the purpose of this paragraph an amount held in a time certificate of deposit in the name of more than one customer shall be counted only once with respect to all such customers, allocated as the customers may determine.

Sec. 5. Section 524.905, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. When an installment of a loan made pursuant to this section is not paid when due, a state bank may collect

a single delinquency charge, in an amount not to exceed the greater of five percent of the installment or five dollars, for each installment in arrears for a period of more than fifteen days, provided that a delinquency charge shall not be made if the delinquency is caused by acceleration or by application of an otherwise timely payment to a prior delinquent installment.

Sec. 6. Section 524.1201, Code 1981, is amended to read as follows:

524.1201 GENERAL PROVISIONS. No bank shall open or maintain a branch bank. A state bank may establish and operate bank offices subject to approval and regulation of the superintendent and to the restrictions upon location and number imposed by section 524.1202. A bank office may furnish all banking services ordinarily furnished to customers and depositors at the principal place of business of the state bank which operates the office, and a bank office manager or an officer of the bank shall be physically present at each bank office during a majority of its business hours. The central executive and official business and principal record-keeping functions of a state bank shall be exercised only at its principal place of business, except that data processing services referred to in section 524.804 may be performed for the state bank at some other point. All transactions of a bank office shall be immediately transmitted to the principal place of business of the state bank which operates the office, and no current record-keeping functions shall be maintained at a bank office except to the extent the state bank which operates the office deems it desirable to keep there duplicates of the records kept at the principal place of business of the state bank.

Sec. 7. Section 524.1202, subsection 2, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. A state bank may establish bank offices within the municipal corporation or urban complex in which the principal place of business of the bank is located, subject to the following conditions and limitations:

(1) If the municipal corporation has a population of fifty thousand or less according to the most recent federal census, the state bank shall not establish more than three bank offices.

(2) If the municipal corporation or urban complex has a population of more than fifty thousand but not more than one hundred thousand according to the most recent federal census, the state bank shall not establish more than three bank offices.

(3) If the municipal corporation or urban complex has a population of more than one hundred thousand but not more than two hundred thousand according to the most recent federal census, the state bank shall not establish more than four bank offices.

(4) If the municipal corporation or urban complex has a population of more than two hundred thousand according to the most recent federal census, the state bank shall not establish more than five bank offices.

b. For purposes of this subsection, "urban complex" means the geographic area bounded by the corporate limits of two or more municipal corporations, each of which being contiguous to or cornering upon at least one of the other municipal corporations within the complex. A state bank located in a municipal corporation or urban complex which is located on a boundary of this state and contiguous to a municipal corporation in another state may have one bank office in addition to the number of bank offices permitted by paragraph a; provided that nothing contained in this paragraph authorizes a state bank to establish a bank office outside of the boundaries of this state.

SENATE FILE 300

AN ACT

RELATING TO THE POWERS OF BANKS WITH RESPECT TO THE COMPENSATION OF DIRECTORS, PERMISSIBLE ACCOUNTS AND RELATED CHARGES, PLACES OF DOING BUSINESS, PERMISSIBLE INVESTMENTS, LOAN CHARGES, CONTRACTS FOR DATA PROCESSING SERVICES, AND CASH RESERVE REQUIREMENTS.

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

Section 1. Section 524.610, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Subject to the approval of the superintendent, the~~ The shareholders of a state bank shall fix the compensation of directors for their services as members of the board of directors.

Sec. 2. Section 524.805, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. A state bank may receive deposits from one or more persons with the provision that upon the death of the depositors the deposit account shall be the property of the person or persons designated by the deceased depositors as shown on the deposit account records of the state bank.

The account is subject to the debts of the deceased depositors and the payment of Iowa inheritance tax provided, that upon the expiration of six months after the date of death of the deceased depositors, the receipt or acquittance of the persons designated is a valid and sufficient release and discharge of the state bank for the delivery of any part or all of the account.

Sec. 3. Section 524.806, Code 1981, is amended to read as follows:

524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS. When a deposit ~~shall be~~ is made in any state bank in the names of two or more individuals, payable to ~~either~~ any one or more of them, or payable to ~~either or~~ the survivor or survivors, ~~such~~ the deposit, including interest, or any part thereof, may be paid to ~~either~~ any one or more of such the individuals whether the ~~other~~ others be living or not, and the receipt or acquittance of the ~~individual~~ individuals so paid ~~shall be~~ is a valid and sufficient release and discharge to the state bank for any payment so made.

Sec. 4. Section 524.904, subsection 4, Code 1981, is amended by adding the following new paragraph:

NEW PARAGRAPH. Obligations of the customer equal in dollar amount to the amount of time certificates of deposit in the state bank, held in the name of that customer, which the state bank may lawfully offset against the obligations of that customer in the event of default. For the purpose of this paragraph an amount held in a time certificate of deposit in the name of more than one customer shall be counted only once with respect to all such customers, allocated as the customers may determine.

Sec. 5. Section 524.905, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. When an installment of a loan made pursuant to this section is not paid when due, a state bank may collect

a single delinquency charge, in an amount not to exceed the greater of five percent of the installment or five dollars, for each installment in arrears for a period of more than fifteen days, provided that a delinquency charge shall not be made if the delinquency is caused by acceleration or by application of an otherwise timely payment to a prior delinquent installment.

Sec. 6. Section 524.1201, Code 1981, is amended to read as follows:

524.1201 GENERAL PROVISIONS. No bank shall open or maintain a branch bank. A state bank may establish and operate bank offices subject to approval and regulation of the superintendent and to the restrictions upon location and number imposed by section 524.1202. A bank office may furnish all banking services ordinarily furnished to customers and depositors at the principal place of business of the state bank which operates the office, and a bank office manager or an officer of the bank shall be physically present at each bank office during a majority of its business hours. The central executive and official business and principal record-keeping functions of a state bank shall be exercised only at its principal place of business, except that data processing services referred to in section 524.804 may be performed for the state bank at some other point. All transactions of a bank office shall be immediately transmitted to the principal place of business of the state bank which operates the office, and no current record-keeping functions shall be maintained at a bank office except to the extent the state bank which operates the office deems it desirable to keep there duplicates of the records kept at the principal place of business of the state bank.

Sec. 7. Section 524.1202, subsection 2, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. A state bank may establish bank offices within the municipal corporation or urban complex in which the principal place of business of the bank is located, subject to the following conditions and limitations:

(1) If the municipal corporation has a population of fifty thousand or less according to the most recent federal census, the state bank shall not establish more than three bank offices.

(2) If the municipal corporation or urban complex has a population of more than fifty thousand but not more than one hundred thousand according to the most recent federal census, the state bank shall not establish more than three bank offices.

(3) If the municipal corporation or urban complex has a population of more than one hundred thousand but not more than two hundred thousand according to the most recent federal census, the state bank shall not establish more than four bank offices.

(4) If the municipal corporation or urban complex has a population of more than two hundred thousand according to the most recent federal census, the state bank shall not establish more than five bank offices.

b. For purposes of this subsection, "urban complex" means the geographic area bounded by the corporate limits of two or more municipal corporations, each of which being contiguous to or cornering upon at least one of the other municipal corporations within the complex. A state bank located in a municipal corporation or urban complex which is located on a boundary of this state and contiguous to a municipal corporation in another state may have one bank office in addition to the number of bank offices permitted by paragraph a; provided that nothing contained in this paragraph authorizes a state bank to establish a bank office outside of the boundaries of this state.

c. One such facility located in the proximity of a state bank's principal place of business may be found by the superintendent to be an integral part of the principal place of business, and not a bank office within the meaning of this section. This paragraph does not authorize more than one facility to be found to be an integral part of a bank's principal place of business.

d. One such facility that is located on the same property, or that is adjacent to or cornering upon the property on which an office of a bank is located, or that is separated from being adjacent to or cornering upon the property only by a street, alley, or other publicly owned right of way, may be found by the superintendent to be an integral part of that office location and not a separate bank office within the meaning of this section. This paragraph does not authorize more than one facility to be found to be an integral part of a bank office.

Sec. 8. Section 524.1212, Code 1981, is amended to read as follows:

524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank may utilize a satellite terminal, as defined in section 527.2, when that satellite terminal is lawfully being operated, at any location within this state. A satellite terminal authorized by which complies with the requirements of chapter 527 shall is not be a branch bank or an office of a bank and is not subject to the restrictions on location or number set forth in section 524.1202. Any transaction engaged in through the use of a satellite terminal shall be deemed to take place at the principal place of business of a bank whose accounts and records are affected by the transaction.

Sec. 9. Section 524.218, subsection 2, Code 1981, is amended by striking the subsection.

Sec. 10. Section 524.901, subsection 2, paragraph e, Code 1981, is amended by striking the paragraph.

Sec. 11. Sections 524.816 and 524.817, Code 1981, are repealed.

Sec. 12. Section 7 of this Act takes effect July 1, 1983.

\_\_\_\_\_  
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 300, Sixty-ninth General Assembly.

\_\_\_\_\_  
LINDA HOWARTH MACKAY  
Secretary of the Senate

Approved Jan 15, 1981

\_\_\_\_\_  
ROBERT D. RAY  
Governor