

Judiciary 3/7/88. Amend per 5469 & Do Pass 3/17 (J 876)

FILED MAR 3 1988

SENATE FILE 2282  
BY COMMITTEE ON COMMERCE  
*Approved by 609*  
(formerly SSB 2093)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act permitting agreements providing for the payment of  
2 attorney's fees by a consumer in event of default in certain  
3 consumer credit transactions and authorizing the imposition of  
4 additional costs or fees by the court.

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

SENATE FILE 2282

S-5427

1 Amend Senate File 2282 as follows:  
2 1. Page 1, by striking lines 6 through 9, and  
3 inserting the following: "reasonable attorney fees  
4 after default and referral to an attorney who is not a  
5 salaried employee of the seller or lessor or of the  
6 assignee of the seller or lessor. Attorney's fees  
7 under this section shall not exceed the lesser of:  
8 1. One hundred dollars.  
9 2. Fifteen percent of the unpaid principal.  
10 However, the court may".

S-5427

Filed March 17, 1988

BY COMMITTEE ON JUDICIARY  
DONALD V. DOYLE, Chairperson

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SENATE FILE 2282

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S-5469

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1 Amend Senate File 2282 as follows:  
2 1. Page 1, line 4, by inserting after the word  
3 "transaction," the following: "providing for an  
4 annual percentage rate of interest of eighteen percent  
5 or less,".

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S-5469

Filed March 18, 1988

BY TOM MANN, Jr.

1 Section 1. Section 537.2507, Code 1987, is amended to read  
2 as follows:

3 537.2507 ATTORNEY'S FEES.

4 With respect to a consumer credit transaction, the  
5 agreement may not provide for the payment by the consumer of  
6 reasonable attorney's fees, not in excess of fifteen percent  
7 of the unpaid debt, after default and referral to an attorney  
8 who is not a salaried employee of the seller or lessor or of  
9 the assignee of the seller or lessor. However, the court may  
10 impose additional costs or fees on the consumer. A provision  
11 in violation of this subsection is unenforceable.

12 EXPLANATION

13 This bill permits an agreement by a consumer to pay  
14 reasonable attorney's fees not in excess of fifteen percent of  
15 the unpaid debt after default on a consumer credit  
16 transaction. Currently the Code prohibits an agreement to  
17 provide for the payment by the consumer of attorney's fees in  
18 any consumer credit transaction. A court could impose  
19 additional costs or fees on the consumer.

20 SUCCESSOR TO SSB 2093 (LSB 7904SC)

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COMMERCE: Nystrom, Chair; Priebe and Deluhery

SSB 2093

COMMERCE

*New* Nystrom, ch.  
Priebe  
Deluhery

SENATE FILE 2282  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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

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