

FILED FEB 17 1998

Rereferred To: Commerce 3/23/98

SENATE FILE **2243**

BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2068)

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

A BILL FOR

1 An Act relating to the computation of interest pursuant to a
2 written agreement between certain parties.

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

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SENATE FILE 2243

S-5103

1 Amend Senate File 2243 as follows:
2 1. Page 1, line 10, by inserting after the word
3 "interest." the following: "This subsection does not
4 apply to a credit transaction subject to section
5 537.2601."

By NEAL SCHUERER

S-5103 FILED MARCH 2, 1998

SENATE FILE 2243

S-5246

1 Amend Senate File 2243 as follows:
2 1. Page 1, line 10, by inserting after the word
3 "interest." the following: "This subsection does not
4 apply to a consumer credit transaction subject to
5 chapter 537."

By NEAL SCHUERER

S-5246 FILED MARCH 16, 1998

S.F. 2243

1 Section 1. Section 535.2, subsection 2, paragraph a,
2 unnumbered paragraph 1, Code 1997, is amended to read as
3 follows:

4 ~~The following persons~~ A person may agree in writing to pay
5 any rate of interest, and a to the method of computing such
6 interest. A person ~~so~~ agreeing in writing shall not plead or
7 interpose the claim or defense of usury in any action or
8 proceeding, and the person agreeing to receive the interest is
9 not subject to any penalty or forfeiture for agreeing to
10 receive or for receiving the interest. This subsection
11 applies to all of the following:

12 EXPLANATION

13 This bill amends Code section 535.2 and provides that the
14 method by which interest is computed may be agreed to in
15 writing by the following persons:

- 16 1. A person borrowing money for the purpose of acquiring
17 real property or refinancing a contract for deed.
- 18 2. A person borrowing money or obtaining credit in an
19 amount which exceeds \$25,000, exclusive of interest, for the
20 purpose of constructing improvements on real property, whether
21 or not the real property is owned by the person.
- 22 3. A vendee under a contract for deed to real property.
- 23 4. A domestic or foreign corporation, and a real estate
24 investment trust as defined in section 856 of the Internal
25 Revenue Code, and a person purchasing securities as defined in
26 Code chapter 502 on credit from a broker or dealer registered
27 or licensed under Code chapter 502 or under the Securities
28 Exchange Act of 1934, 15 U.S.C., ch. 78A, as amended.
- 29 5. A person borrowing money or obtaining credit for
30 business or agricultural purposes, or a person borrowing money
31 or obtaining credit in an amount which exceeds \$25,000 for
32 personal, family, or household purposes.

33 Currently, the individuals identified may agree in writing
34 to pay any rate of interest, but the section is silent as to
35 the manner in which such interest is computed.

Schuerer

Rife

Hynn

SSB-2068

Commerce

Succeeded By
SF/HF 2243

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON JENSEN)

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

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2 written agreement between certain parties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SSB
S.F. 2068

H.F. _____

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