

BANKING DIVISION[187]

Notice of Intended Action

**Proposing rule making related to legal lending limits
and providing an opportunity for public comment**

The Iowa Division of Banking hereby proposes to amend Chapter 9, “Investment and Lending Powers,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 524.213.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 524.904 as amended by 2022 Iowa Acts, Senate File 586, sections 85 through 88.

Purpose and Summary

This proposed rule making is intended to update language to reflect changes made to the statutory legal lending limit. The existing language refers to an extra borrowing privilege for loan or lease amounts secured by certain collateral, and this extra borrowing privilege was based on analogous privileges codified in Iowa Code section 524.904. These statutory provisions were amended by 2022 Iowa Acts, Senate File 586, to remove extra borrowing privileges for loan or lease amounts secured by the types of collateral identified in the current rule language. Therefore, the Division proposes to amend paragraph 9.3(3)“a” to accurately reflect the current legal lending limits.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 187—Chapter 12.

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Division no later than 4:30 p.m. on November 8, 2022. Comments should be directed to:

Zak Hingst
Iowa Division of Banking
200 East Grand Avenue, Suite 300
Des Moines, Iowa 50309-1827
Email: zak.hingst@idob.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Amend paragraph **9.3(3)“a”** as follows:

a. If the obligations acquired carry full recourse endorsements, guaranty, or an agreement to repurchase of the lessor or servicer negotiating the sale of the leases, then the endorser, guarantor, or repurchaser shall also be deemed to be a customer of the bank. This customer’s obligation would be limited to ~~35~~ 15 percent of aggregate capital of the state bank ~~if the amounts exceeding 15 percent of aggregate capital consist of obligations as endorser of negotiable chattel paper negotiated by endorsement with recourse, or as unconditional guarantor of nonnegotiable chattel paper, or as transferor of chattel paper endorsed without recourse subject to a repurchase agreement.~~