

REGULATED LOANS

536.1 Title license required.

1. This chapter may be referred to as the "*Iowa Regulated Loan Act*".
2. With respect to a loan other than a consumer loan, a person shall not engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of twenty-five thousand dollars or less and charge, contract for, or receive on the loan a greater rate of interest or consideration for the loan than the lender would be permitted by law to charge if the lender were not a licensee under this chapter except as authorized by this chapter and without first obtaining a license from the superintendent of banking.
3. With respect to a consumer loan, a person required by section 537.2301 to have a license shall not engage in the business of making loans of money, credit, goods or things in action in the amount or value of twenty-five thousand dollars or less and charge, contract for, or receive on the loan a greater rate of interest or consideration for the loan than the lender would be permitted by law to charge if the lender were not a licensee under this chapter, except as authorized by this chapter and without first obtaining a license from the superintendent.
4. A person who enters into less than ten supervised loans per year in this state and who neither has an office physically located in this state nor engages in face-to-face solicitation in this state may contract for and receive the rate of interest permitted in this chapter for licensees under this chapter. A "consumer loan" means the same as defined in section 537.1301.

[C24, 27, 31, § 9410; C35, § 9438-f1; C39, § **9438.01**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.1]

85 Acts, ch 158, §2

536.2 Application fees.

Application for such license shall be in writing, under oath, and in the form prescribed by the superintendent, and shall contain the name and the address (both of the residence and place of business) of the applicant, and if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality with street and number, if any, of the place where the business of making loans under the provisions of this chapter is to be conducted and such further relevant information as the superintendent may require. Such applicant at the time of making such application shall pay to the superintendent the sum of fifty dollars if the liquid assets of the applicant are not in excess of twenty thousand dollars, and the sum of one hundred dollars if the liquid assets of the applicant are in excess of twenty thousand dollars, as a fee for investigating the application and the additional sum of one hundred twenty-five dollars if the liquid assets of the applicant are not in excess of twenty thousand dollars, and two hundred fifty dollars if the liquid assets of the applicant are in excess of twenty thousand dollars, as an annual license fee.

Every applicant shall also prove, in form satisfactory to the superintendent, that the applicant has available for the operation of such business at the place of business specified in the application, liquid assets of at least five thousand dollars, or that the applicant has at least the said amount actually in use in the conduct of such business at such place of business.

[C24, 27, 31, § 9411, 9412; C35, § 9438-f2; C39, § **9438.02**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.2]

89 Acts, ch 257, §27

536.3 Bond.

The applicant shall also at the same time file with the superintendent a bond to be approved by the superintendent in which the applicant shall be the obligor, with one or more sureties, in the sum of one thousand dollars. The said bond shall run to the state for the use of the state and of any person or persons who may have a cause of action against the obligor of said bond under the provisions of this chapter. Such bond shall be conditioned that said obligor will faithfully conform to and abide by the provisions of this chapter and of all rules and regulations lawfully made by the superintendent hereunder, and will pay to the state and to any such person or persons any and all moneys that may become due or owing to the state or to such person or persons from said obligor under and by virtue of the provisions of this chapter.

[C24, 27, 31, § 9413, 9414; C35, § 9438-f3; C39, § **9438.03**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.3]

536.4 Grant or refusal of license.

Upon the filing of such application, the approval of such bond and the payment of such fees, the superintendent shall make a thorough and complete investigation of the facts as the superintendent may deem necessary or proper.

If the superintendent shall determine from such application and from such investigation that the applicant can have a reasonable expectancy of a successful lending business at the location of the office for which application is made, and that there is a real need and necessity in that community for additional lending facilities to adequately serve the local people, and that said applicant is one who will command the respect of and confidence from the people in that community; that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the officers and directors thereof if the applicant be a corporation, are such as to warrant the belief that the business will be operated lawfully, honestly, fairly, and efficiently within the purposes of this chapter, and if the superintendent shall find that the applicant has available or actually in use the assets described in section 536.2, the superintendent shall thereupon issue and deliver a license to the applicant to make loans in accordance with the provisions of this chapter at the place of business specified in the said application; if the superintendent shall not so find the superintendent shall not issue such license and the superintendent shall notify the applicant of the denial and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the investigation fee to cover the costs of investigating the application. The superintendent shall approve or deny every application for a license hereunder within sixty days from the filing of the application and the approved bond and the payment of the said fees.

If the application is denied the superintendent shall within twenty days thereafter file with the banking department a written transcript of the evidence and decision and findings with respect thereto containing the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

[C24, 27, 31, § 9415; C35, § 9438-f4; C39, § **9438.04**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.4]

536.5 License form posting.

Such license shall state the address of the place where the business of making such loans is to be conducted and shall state fully the name of the licensee, and if the licensee is a copartnership or association, the names of the members thereof, and if a corporation, the date and place of its incorporation. Such license shall be kept conspicuously posted in such place of business and shall not be transferable or assignable.

[C24, 27, 31, § 9411, 9418; C35, § 9438-f5; C39, § **9438.05**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §

536.5]

536.6 Additional bond.

If the superintendent shall find at any time that the bond is insecure or exhausted or otherwise of doubtful validity or collectibility, an additional bond to be approved by the superintendent, with one or more sureties and of the character specified in section 536.3, in the sum of not more than one thousand dollars, shall be filed by the licensee within ten days after written demand upon the licensee by the superintendent.

Every licensee shall have available at all times for each licensed place of business at least five thousand dollars in assets, either in liquid form or actually in use in the conduct of such business.

[C24, 27, 31, § 9437; C35, § 9438-f6; C39, § **9438.06**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.6]

536.7 Separate license change of place of business.

Not more than one place of business where such loans are made shall be maintained under the same license, but the superintendent may issue more than one license to the same licensee upon compliance, for each such additional license, with all the provisions of this chapter governing an original issuance of a license.

Whenever a licensee shall change such place of business to another location the licensee shall at once give written notice thereof to the superintendent who shall attach to the license in writing the superintendent's record of the change and the date thereof, which shall be authority for the operation of such business under such license at such new place of business.

[C24, 27, 31, § 9416, 9419; C35, § 9438-f7; C39, § **9438.07**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.7]

536.8 Annual fee payment new bond.

Every licensee shall, on or before the fifteenth day of each December, pay to the superintendent the sum as provided in section 536.2 as an annual license fee for the next succeeding calendar year and shall at the same time file with the superintendent a new bond or renewal of the old bond in the same amount and of the same character as required by section 536.3.

[C35, § 9438-f8; C39, § **9438.08**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.8]

536.9 Suspension, revocation or surrender of license.

1. The superintendent may, upon at least twenty days' written notice to the licensee stating the contemplated action and grounds, and upon reasonable opportunity to be heard, revoke any license issued hereunder if the superintendent shall find that:

a. The licensee has failed, after ten days' notice of default, to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this chapter or to comply with any rule or regulation of the superintendent lawfully made pursuant to and within the authority of this chapter; or that

b. The licensee has violated any provision of this chapter or any rule or regulation lawfully made by the superintendent under and within the authority of this chapter; or that

c. Any fact or condition exists which would clearly have warranted the superintendent in refusing originally to issue such license.

2. If the superintendent shall find that probable cause for revocation of any license exists and that the enforcement of the chapter requires immediate suspension of such license pending investigation, the superintendent may, upon five days' written notice and a hearing, suspend such license for a period not exceeding thirty days.
3. The superintendent may revoke or suspend only the particular license with respect to which grounds for revocation or suspension may occur or exist, or, if the superintendent shall find that such grounds for revocation or suspension are of general application to all licensed places of business, or to more than one licensed place of business, operated by such licensee, the superintendent shall revoke or suspend all of the licenses issued to such licensee or such licenses as such grounds apply to, as the case may be.
4. Any licensee may surrender any license by delivering to the superintendent written notice that the licensee thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender.
5. No revocation or suspension or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.
6. Every license issued hereunder shall remain in force and effect until the same shall have been surrendered, revoked, or suspended in accordance with the provisions of this chapter. The superintendent shall have authority on the superintendent's own initiative to reinstate suspended licenses or to issue new licenses to a licensee whose license or licenses shall have been revoked if no fact or condition then exists which would have warranted the superintendent in refusing originally to issue such license under this chapter.
7. Whenever the superintendent shall revoke or suspend a license issued under this chapter, the superintendent shall forthwith file with the banking division of the department of commerce a written transcript of the evidence and order to that effect and findings with respect thereto containing the reasons supporting the revocation or suspension, and forthwith serve upon the licensee a copy thereof.

[C24, 27, 31, § 9436; C35, § 9438-f9; C39, § **9438.09**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.9]

536.10 Examination of business fee.

For the purpose of discovering violations of this chapter or securing information lawfully required by the superintendent hereunder, the superintendent may at any time, either personally or by an individual or individuals duly designated by the superintendent, investigate the loans and business and examine the books, accounts, records, and files used therein, of every licensee and of every person engaged in the business described in section 536.1, whether such person shall act or claim to act as principal or agent, or under or without the authority of this chapter. For that purpose the superintendent and the superintendent's duly designated representatives shall have and be given free access to the place of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The superintendent and all individuals duly designated by the superintendent shall have authority to require the attendance of and to examine under oath all individuals whomsoever whose testimony the superintendent may require relative to such loans or such business.

The superintendent shall make an examination of the affairs, place of business, and records of each licensed place of business at least once each year.

A licensee subject to examination, supervision and regulation by the superintendent, shall pay to the superintendent an examination fee, based on the actual cost of the operation of the regulated loan bureau of the banking division of the department of commerce, and the proportionate share of administrative expenses in the operation of the banking division attributable to the regulated loan bureau as determined by the

superintendent of banking. The fee shall apply equally to all licenses and shall not be changed more frequently than annually and when changed, shall be effective on January 1 of the year following the year in which the change is approved.

Upon completion of each examination required or allowed by this chapter, the examiner shall render a bill for such fee, in triplicate, and shall deliver one copy to the licensee and two copies to the superintendent. Failure to pay the fee to the superintendent within ten days after the date of the close of each such examination shall subject the licensee to an additional fee of five percent of the amount of such fee for each day the payment is delinquent.

[C24, 27, 31, § 9433; C35, § 9438-f10; C39, § **9438.10**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.10]

85 Acts, ch 158, §3

536.11 Records annual report by licensee.

The licensee shall keep such books, accounts, and records as the superintendent may require in order to determine whether such licensee is complying with the provisions of this chapter and with the rules and regulations lawfully made by the superintendent hereunder. Every licensee shall preserve for at least two years after making the last entry on any loan recorded therein all books, accounts, and records, including cards used in the card system, if any.

Each licensee shall annually on or before the fifteenth day of March file a report with the superintendent giving such relevant information as the superintendent reasonably may require concerning the business and operations during the preceding calendar year of the licensed places of business conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the superintendent who shall make and publish annually an analysis and recapitulation of such reports.

[C24, 27, 31, § 9434; C35, § 9438-f11; C39, § **9438.11**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.11]

536.12 Restrictions on practices.

No licensee shall conduct the business of making loans under the provisions of this chapter within any office, room, suite or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the superintendent upon the superintendent's finding that the character of such other business is such that the granting of such authority would not facilitate evasions of this chapter or of the rules lawfully made by the superintendent hereunder.

No licensee shall make any loan provided for by this chapter under any other name or at any other place of business than that named in the license.

No licensee shall take any instrument in which blanks are left to be filled in after execution.

[C24, 27, 31, § 9426, 9432; C35, § 9438-f12; C39, § **9438.12**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.12]

536.13 Banking council report classification rules penalty consumer credit code.

1. The state banking council may investigate the conditions and find the facts with reference to the business of making regulated loans, as described in section 536.1 and after making the investigation, report in writing its findings to the next regular session of the general assembly, and upon the basis of the facts:

a. Classify regulated loans by a rule according to a system of differentiation which will reasonably distinguish the classes of loans for the purposes of this chapter.

b. Determine and fix by a rule the maximum rate of interest or charges upon each class of regulated loans which will induce efficiently managed commercial capital to enter the business in sufficient amounts to make available adequate credit facilities to individuals. The maximum rate of interest or charge shall be stated by the council as an annual percentage rate calculated according to the actuarial method and applied to the unpaid balances of the amount financed.

2. Except as provided in subsection 7, the council may redetermine and refix by rule, in accordance with subsection 1, any maximum rate of interest or charges previously fixed by it, but the changed maximum rates shall not affect pre-existing loan contracts lawfully entered into between a licensee and a borrower. All rules which the council may make respecting rates of interest or charges shall state the effective date of the rules, which shall not be earlier than thirty days after notice to each licensee by mailing the notice to each licensed place of business.

3. Before fixing any classification of regulated loans or any maximum rate of interest or charges, or changing a classification or rate under authority of this section, the council shall give reasonable notice of its intention to consider doing so to all licensees and a reasonable opportunity to be heard and to introduce evidence with respect to the change or classification.

4. Beginning July 4, 1965, and until such time as a different rate is fixed by the council, the maximum rate of interest or charges upon the class or classes of regulated loans is three percent per month on any part of the unpaid principal balance of the loan not exceeding one hundred fifty dollars and two percent per month on any part of the loan in excess of one hundred fifty dollars, but not exceeding three hundred dollars, and one and one-half percent per month on any part of the unpaid principal balance of the loan in excess of three hundred dollars, but not exceeding seven hundred dollars, and one percent per month on any part of the unpaid principal balance of the loan in excess of seven hundred dollars.

5. A licensee under this chapter may lend any sum of money not exceeding twenty-five thousand dollars in amount and may charge, contract for, and receive on the loan interest or charges at a rate not exceeding the maximum rate of interest or charges determined and fixed by the council under authority of this section or pursuant to subsection 7 for those amounts in excess of ten thousand dollars.

6. If any interest or charge on a loan regulated by this chapter in excess of those permitted by this chapter is charged, contracted for, or received, the contract of loan is void as to interest and charges and the licensee has no right to collect or receive any interest or charges. In addition, the licensee shall forfeit the right to collect the lesser of two thousand dollars of principal of the loan or the total amount of the principal of the loan.

7. The council may establish the maximum rate of interest or charges as permitted under this chapter for those loans whose unpaid principal balance is ten thousand dollars or less. For those loans whose unpaid principal balance is over ten thousand dollars, the maximum rate of interest or charges which a licensee may charge shall be the greater of the rate permitted by chapter 535 or the rate authorized for supervised financial organizations by chapter 537.

The Iowa consumer credit code, chapter 537, applies to a consumer loan in which the licensee participates or engages, and a violation of the Iowa consumer credit code, chapter 537, is a violation of this chapter.

Article 2, parts 3, 5 and 6 of chapter 537, and article 3 of chapter 537, sections 537.3203, 537.3206, 537.3209, 537.3304, 537.3305 and 537.3306 apply to any credit transaction, as defined in section 537.1301 in which a licensee participates or engages, and any violation of those parts or sections is a violation of this chapter. For the purpose of applying the Iowa consumer credit code, chapter 537, to those credit transactions, "consumer loan" includes a loan for a business purpose.

A provision of the Iowa consumer credit code, chapter 537, applicable to loans regulated by this chapter supersedes a conflicting provision of this chapter.

[C24, 27, 31, § 94209423; C35, § 9438-f13; C39, § **9438.13**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.13]

85 Acts, ch 158, § 4; 86 Acts, ch 1237, § 34; 2003 Acts, ch 44, § 114; 2004 Acts, ch 1141, §34

536.14 Rights of borrower payments.

Every licensee, in addition to complying with requirements of the Iowa consumer credit code, chapter 537, respecting consumer loans, shall:

1. Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all interest or charges up to the date of such payment.
2. Upon repayment of the loan in full, mark indelibly every obligation and security other than a mortgage* signed by the borrower with the word "paid" or "canceled", and release any security interest which no longer secures a loan to the licensee, restore any collateral, return any note and any assignment given to the licensee by the borrower.
3. Display prominently in each licensed place of business an accurate schedule, to be approved by the superintendent, of the charges currently to be made upon all loans.

[C24, 27, 31, § 9425; C35, § 9438-f14; C39, § **9438.14**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.14]

2003 Acts, ch 44, §114

Footnotes

*See § 554.1201(37)

536.15 Limitation on principal amount over twenty-five thousand dollars.

A licensee shall not directly or indirectly charge, contract for, or receive any interest or consideration greater than the lender would be permitted by law to charge if the lender were not a licensee upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit, of the amount or value of more than twenty-five thousand dollars. This section also applies to a licensee who permits a person, as borrower or as endorser, guarantor, or surety for a borrower, or otherwise, to owe directly or contingently or both to the licensee at any time the sum of more than twenty-five thousand dollars for principal.

[C24, 27, 31, § 9424; C35, § 9438-f15; C39, § **9438.15**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.15]

85 Acts, ch 158, §5

536.16 Nonresident licensees face-to-face solicitation.

Notwithstanding other provisions of this chapter to the contrary, a person who neither has an office physically located in this state nor engages in face-to-face solicitation in this state, if authorized by another state to make loans in that state at a rate of finance charge in excess of the rate provided in chapter 535, shall

not be subject to the following provisions of this chapter:

1. Section 536.2 to the extent it requires payment of an annual license fee in excess of two hundred fifty dollars and requires a person to prove the person has any dollar amount of liquid assets or the use of any dollar amount in the conduct of the person's business at the licensed place of business.
2. Section 536.4, however, the superintendent may deny a license if upon investigation the superintendent determines that the financial responsibility, experience, character or general fitness of the person, or members, officers, or directors thereof, do not warrant the belief that the business will be operated lawfully, honestly, fairly and efficiently, within the purposes of this chapter.
3. Section 536.6 to the extent it requires a person to have any dollar amount of assets available for a licensed place of business.
4. Section 536.10 to the extent it requires the superintendent to make an examination of the affairs, place of business and records of the person on a periodic basis.

[C75, 77, 79, 81, § 536.16]

89 Acts, ch 257, §28

536.17 and 536.18 Repealed by 74 Acts, ch 1250, § 9.132.

536.19 Violations.

Any person, copartnership, association, or corporation and the several members, officers, directors, agents, and employees thereof, who shall violate or participate in the violation of any of the provisions of section 536.1, 536.12, 536.13 or 536.14, which are not also violations of article 5, part 3, of the Iowa consumer credit code, chapter 537, shall be guilty of a serious misdemeanor. Violations of the Iowa consumer credit code, chapter 537, shall be subject to the penalties provided therein.

[C24, 27, 31, § 9435; C35, § 9438-f19; C39, § **9438.19**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.19]

2003 Acts, ch 44, §114

536.20 Nonapplicability of statute.

This chapter shall not apply to any person doing business under and as permitted by any law of this state or of the United States relating to banks, trust companies, building and loan associations, credit unions or licensed pawnbrokers, nor shall it apply to any domestic corporation entitled to the benefits of chapter 536A.

[C35, § 9438-f20; C39, § **9438.20**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.20]

536.21 Rules.

The superintendent is hereby authorized and empowered to make such reasonable and relevant rules as may be necessary for the execution and the enforcement of the provisions of this chapter, in addition hereto and not inconsistent herewith. All rules shall be filed and entered by the superintendent in the banking division of the department of commerce in an indexed, permanent book or record, with the effective date thereof suitably indicated, and such book or record shall be a public document.

[C35, § 9438-f21; C39, § **9438.21**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.21]

536.22 Assistants.

The superintendent of banking is hereby authorized to employ such competent help as the superintendent deems necessary to carry out and perform the provisions of this chapter, and is hereby authorized and empowered to pay such persons so employed from the license fees, examination fees, and investigation fees referred to in section 536.2.

[C35, § 9438-f22; C39, § **9438.22**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.22]

536.23 Judicial review.

Judicial review of the actions of the superintendent or the state banking council may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C35, § 9438-f23; C39, § **9438.23**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 536.23]

2003 Acts, ch 44, 114; 2004 Acts, ch 1141, §34

536.24 List of licensees by banking superintendent.

The superintendent of banking shall, in listing the names of licensees under this chapter, indicate if the licensee is one of a chain of two or more such licensees, the name of the owner and the address of the principal place of business of each owner, a summary of individual reports of each such licensed office indicating its location, the name of licensee, capital, surplus, reserves, loans receivable, cash and due from banks, real estate, borrowed money, net worth, total assets, total liabilities and such other pertinent and related information as may be necessary or desirable to give a correct and full picture of the total assets and total liabilities of each such licensee.

[C62, 66, 71, 73, 75, 77, 79, 81, § 536.24]

536.25 Statement of indebtedness of borrower.

A licensee when making a loan under this chapter shall require a statement in writing from each applicant setting forth a description of all installment indebtedness of the applicant by giving the amount of each loan and the name of the lender. The applicant may orally disclose the information and the licensee shall write down the information, and the applicant shall subsequently sign the statement.

[C62, 66, 71, 73, 75, 77, 79, 81, § 536.25]

85 Acts, ch 158, §6

536.26 Insured loans.

A licensee shall not, directly or indirectly, sell or offer for sale any life or accident and health insurance in connection with a loan made under this chapter except as and to the extent authorized by this section. Life, accident and health insurance, or any of them, may be written by a licensed insurance producer upon or in connection with any loan for a term not extending beyond the final maturity date of the loan contract, but only upon one obligor on any one loan contract.

The amount of life insurance shall at no time exceed the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract or the actual amount unpaid on the loan contract, whichever is greater.

Accident and health insurance shall provide benefits not in excess of the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract and the amount of each periodic benefit payment shall not exceed the total amount payable divided by the number of installments and shall provide that if the insured obligor is disabled, as defined in the policy, for a period of more than fourteen days, benefits shall commence as of the first day of disability.

The premium, which shall be the only charge for such insurance, shall not exceed that approved by the commissioner of insurance of the state of Iowa as filed in the office of such commissioner. Such charge, computed at the time the loan is made for the full term of the loan contract on the total amount required to pay principal and interest.

If a borrower procures insurance by or through a licensee, the licensee shall cause to be delivered to the borrower a copy of the policy within fifteen days from the date such insurance is procured. No licensee shall decline new or existing insurance which meets the standards set out herein nor prevent any obligor from obtaining such insurance coverage from other sources.

If the loan contract is prepaid in full by cash, a new loan, or otherwise (except by the insurance) any life, accident and health insurance procured by or through a licensee shall be canceled and the unearned premium shall be refunded. The amount of such refund shall represent at least as great a proportion of the insurance premium or identifiable charge as the sum of the consecutive monthly balances of principal and interest of the loan contract originally scheduled to be outstanding after the installment date nearest the date of prepayment bears to the sum of all such monthly balances of the loan contract originally scheduled to be outstanding.

[C66, 71, 73, 75, 77, 79, 81, § 536.26]

85 Acts, ch 158, §7; 2001 Acts, ch 16, §33, 37

536.27 Insurance related to property of borrower.

A licensee may sell the borrower insurance against loss of or damage to property owned by the borrower or loss from liability arising out of the ownership or use of property owned by the borrower. When the transaction is a consumer credit transaction as defined in section 537.1301 the sale of property insurance is subject to the requirements of sections 537.2501 and 537.2510 and the rules adopted under those sections by the administrator of the Iowa consumer credit code, chapter 537.

85 Acts, ch 158, §9; 2003 Acts, ch 44, §114

536.28 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Administrator*" means the person designated in section 537.6103.
2. "*Consumer loan*" means a loan as defined in section 537.1301.
3. "*Council*" means the state banking council.
4. "*Licensee*" means a person licensed under this chapter.
5. "*Superintendent*" means the state superintendent of banking.

[C75, 77, 79, 81, § 536.28]

536.29 Enforcement of Iowa consumer credit code.

1. The superintendent shall enforce the Iowa consumer credit code, chapter 537, with respect to licensees, as provided in sections 537.2303, 537.2305 and 537.6105.
2. The superintendent shall cooperate with the administrator, and shall assist the administrator whenever necessary to provide for the discharge of the duties of the administrator.
3. Notwithstanding other provisions of this chapter to the contrary, the superintendent shall authorize to be furnished to the administrator, access to or copies of records in the possession of the superintendent or other persons which relate to a person licensed under this chapter, when necessary to enable the administrator to enforce chapter 537.
4. The superintendent shall make an annual report in writing to the administrator. A copy of the report shall be furnished at cost by the superintendent to each licensee or other person upon request. The annual report shall contain:
 - a. A summary of license applications approved or denied by the superintendent since the last report.
 - b. A summary of the assets, liabilities and capital structure of all licensees, and volume of consumer installment of credit outstanding per licensee, as of December 31 of the year for which the report is made.
 - c. An estimate of the disbursements of agency funds for consumer credit protection during the calendar year ending the preceding December 31.
 - d. Information which the superintendent may deem appropriate and advisable to disclose.
 - e. Information which the administrator may require to be included.

[C75, 77, 79, 81, § 536.29]