

536A.25 Restrictions.

1. An industrial loan company licensed under this chapter shall not make a loan of money or property to or guarantee the obligations of its directors or officers; or loan to any borrower, other than a subsidiary or affiliated corporation, more than twenty percent of its total capital, surplus, and undivided profits. A licensee shall not make a loan under any other name or at any other place of business than that named in the license.

2. An industrial loan company licensed under this chapter that sells debt instruments to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness, shall not loan to a borrower, including a subsidiary or an affiliated corporation, more than twenty percent of the industrial loan company's total of capital, surplus, and undivided profits. The aggregate of all loans to subsidiaries and affiliated corporations of the industrial loan company shall not exceed ten percent of the industrial loan company's total assets.

A debt instrument sold by an industrial loan company which is not insured by the federal deposit insurance corporation, shall contain on its face a notice in bold print that the debt instrument is not insured or guaranteed by the federal deposit insurance corporation.

3. Investments by an industrial loan company licensed under this chapter are subject to the provisions of section 524.901 as applied to state banks.

[C66, 71, 73, 75, 77, 79, 81, § 536A.25]

91 Acts, ch 63, §4