

## LENDER CREDIT CARDS

### **536C.1 Title.**

This chapter shall be known and may be cited as the "*Lender Credit Card Act*".

91 Acts, ch 216, §15

### **536C.2 Definitions.**

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

1. "*Administrator*" means the superintendent of banking, the superintendent of savings and loan associations or the superintendent's successor, or the superintendent of credit unions. However, the powers of administration and enforcement of this chapter are to be exercised pursuant to section 536C.14.
2. "*Agreement*" means agreement as defined in section 537.1301, subsection 4.
3. "*Cardholder*" means cardholder as defined in section 537.1301, subsection 8.
4. "*Consumer credit transaction*" means consumer credit transaction as defined in section 537.1301, subsection 12.
5. "*Credit card*" means a card or device issued by a financial institution under an arrangement pursuant to which a card issuer gives a cardholder the privilege of purchasing or leasing property, or purchasing services, obtaining loans, or otherwise obtaining credit from at least one hundred persons not related to the card issuer.
6. "*Financial institution*" means a bank incorporated under the provisions of any state or federal law, a savings and loan association incorporated under the provisions of any state or federal law, a credit union organized under the provisions of any state or federal law, and any affiliate of such bank, savings and loan association, or credit union.
7. "*Person*" means any individual, firm, corporation, partnership, joint venture, or association, and any other organization or group, however organized.

91 Acts, ch 216, §16

### **536C.3 Exemptions.**

This chapter does not apply to a bank chartered under chapter 524 or a bank chartered under federal law which has its principal place of business located in this state, a savings and loan association chartered under chapter 534 or a savings and loan association chartered under federal law which has its principal place of business located in this state, a credit union chartered under chapter 533 or a credit union chartered under federal law which has its principal place of business located in this state, regulated loan companies licensed under chapter 536, or industrial loan companies licensed under chapter 536A.

91 Acts, ch 216, §17

### **536C.4 Notification.**

1. A person shall file a registration statement annually with the administrator before conducting the business of issuing credit cards in this state, and annually thereafter on or before January 31 of each year. The registration statement shall be in writing on a form prescribed by the administrator, and contain the name and

address of the registrant, the name and address of a designated agent upon whom service of process may be made in this state, and any other information the administrator deems relevant.

2. At the time of filing a registration statement the person shall provide the administrator with a copy of the credit agreement and billing statement being used by the card issuer.
3. If information in a filing statement becomes inaccurate after filing, the person shall notify the administrator in writing of the changes within sixty days of such change.

91 Acts, ch 216, §18

#### **536C.5 Fees.**

A person required to file a registration statement pursuant to this chapter shall pay to the administrator an annual fee of fifty dollars. The fee shall be paid at the time the person files the registration statement.

91 Acts, ch 216, §19

#### **536C.6 Applicability of Iowa consumer credit code.**

1. The terms and conditions of a credit card agreement shall conform to the provisions of chapter 537, the Iowa consumer credit code.
2. A provision of the Iowa consumer credit code, chapter 537, applicable to credit cards regulated by this chapter supersedes a conflicting provision of this chapter.
3. A person who is in full compliance with the provisions of this chapter is considered a supervised financial organization under the Iowa consumer credit code, chapter 537, for purposes of contracting for finance charges authorized for credit card issuers under section 537.2402.

91 Acts, ch 216, §20; 2003 Acts, ch 44, §114

#### **536C.7 Books and records.**

A person who issues credit cards shall keep such books, accounts, and records as will enable the administrator to determine whether or not the person is complying with the provisions of this chapter and chapter 537. The person shall not be required to preserve or keep their records or files for a longer period than three years following the date of the final payment.

91 Acts, ch 216, §21

#### **536C.8 Investigations.**

1. The administrator may investigate at any time the business of a credit card issuer subject to the provisions of this chapter. The administrator may examine the books, records, accounts, and files pertaining to the business of issuing credit cards subject to the provisions of this chapter.
2. The administrator may accept a copy of an examination conducted by a state or federal regulator in lieu of an investigation or examination by the administrator.
3. If an investigation or examination is performed by the administrator under this section, the credit card issuer shall pay to the administrator a fee based on the actual cost of such investigation or examination as determined by the administrator.

4. Upon completion of an investigation or examination by the administrator, the examiner shall render a billing in triplicate, with one copy to be delivered to the credit card issuer and two copies to be delivered to the administrator. Failure to pay the fee to the administrator within thirty days after the billing for the investigation or examination is delivered shall subject the credit card issuer to an additional fee of five percent of the amount of the original fee for each day the payment is delinquent.

91 Acts, ch 216, §22

#### **536C.9 Cease and desist orders.**

1. If the administrator has reasonable cause to believe a person who issues credit cards is violating any provision of this chapter, or rules adopted pursuant to this chapter, the administrator may enter a written order requiring the person to cease, desist, and refrain from an act constituting a violation. A copy of the order shall be sent to the person by certified mail. The person may file with the administrator a written notice of appeal within fifteen days of receipt of the order. The person may also request that the order be stayed pending resolution of the appeal. The appellant shall be entitled to prompt consideration of the request to stay the order.

2. Within thirty days after receipt of a notice of appeal the administrator shall hold a hearing to consider the appeal. The appellant shall be informed regarding the time and place of the hearing not later than ten days prior to the hearing. The administrator's decision shall be provided, in writing, to the appellant within thirty days of the completion of the hearing.

91 Acts, ch 216, §23

#### **536C.10 Injunctions.**

The administrator may commence an action in the district court to restrain and enjoin any person from violating this chapter, or to restrain and enjoin any person from engaging in the business of issuing credit cards without filing a registration statement as required by this chapter.

91 Acts, ch 216, §24

#### **536C.11 Waiver unenforceable.**

A waiver of the provisions of this chapter or chapter 537 is not valid.

91 Acts, ch 216, §25

#### **536C.12 Penalty.**

If an officer, director, or agent of a corporation engaged in the business of issuing credit cards violates any of the provisions of this chapter which are not also violations of the Iowa consumer credit code, chapter 537, or if a person individually or as a partner, or officer, director, or agent of a corporation engages in the business of issuing credit cards without filing the registration statement required by section 536C.4, the person is guilty of a serious misdemeanor. Violations of this chapter which are also violations of the Iowa consumer credit code, chapter 537, shall be subject to the penalties provided in the Iowa consumer credit code, chapter 537.

91 Acts, ch 216, §26; 2003 Acts, ch 44, §114

#### **536C.13 Rules.**

The administrator may adopt such rules pursuant to chapter 17A as may be necessary for the enforcement and administration of this chapter.

91 Acts, ch 216, §27

**536C.14 Enforcement.**

1. The superintendent of banking shall enforce the provisions of this chapter with respect to banks not exempt from the provisions of this chapter under section 536C.3.
2. The superintendent of credit unions shall enforce the provisions of this chapter with respect to credit unions not exempt from the provisions of this chapter under section 536C.3.
3. The superintendent of savings and loan associations or the superintendent's successor shall enforce the provisions of this chapter with respect to savings and loan associations not exempt from the provisions of this chapter under section 536C.3.

91 Acts, ch 216, §28