

**322.19 Finance charges — amount.**

1. Notwithstanding the provisions of any other existing law, a retail installment transaction may include a finance charge not in excess of the following rates:

a. Class 1. Any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made, an amount equivalent to one and three-fourths percent per month simple interest on the declining balance of the amount financed.

b. Class 2. Any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than two years prior to the year in which the sale is made, an amount equivalent to two percent per month simple interest on the declining balance of the amount financed.

c. Class 3. Any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than two years prior to the year in which the sale is made, an amount equivalent to two and one-fourth percent per month simple interest on the declining balance of the amount financed.

2. For purposes of [this chapter](#), “*amount financed*” means as defined in [section 537.1301](#). However, notwithstanding [section 322.33, subsection 3](#), the amount financed may also include additional charges for the following, which shall not be included in the finance charge:

a. A service contract as defined in [section 516E.1](#).\*

b. Voluntary debt cancellation coverage, whether insurance or debt waiver, which may be excluded from the finance charge under the federal Truth in Lending Act as defined in [section 537.1302](#).

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.19; [82 Acts, ch 1153, §1, 18\(1\)](#)]

[2003 Acts, ch 8, §22](#); [2005 Acts, ch 70, §1](#); [2010 Acts, ch 1061, §180](#)

Referred to in [§322.20, 537.2201](#)

\*Section 516E.1 repealed by 2019 Acts, ch 142; reference to section 523C.1 probably intended; corrective legislation is pending