527.2 Definitions.

As used in this chapter, the following definitions shall apply unless the context otherwise requires:

1. *"Access device"* means a card, code, or other mechanism, or any combination thereof, that may be used by a customer for the purpose of initiating a transaction by means of a satellite terminal which will affect a customer asset account.

2. *"Administrator"* means and includes the superintendent of banking and the superintendent of credit unions within the department of commerce and the supervisor of industrial loan companies within the office of the superintendent of banking. However, the powers of administration and enforcement of this chapter shall be exercised only as provided in sections 527.3, 527.5, subsection 7, sections 527.11, 527.12, and any other pertinent provision of this chapter.

3. *"Batch basis"* means the delivery of an accumulation of messages representing multiple transactions after completion of the transactions.

4. *"Central routing unit"* means any facility where electronic impulses or other indicia of a transaction originating at a satellite terminal are received and are routed and transmitted to a financial institution, or to a data processing center, or to another central routing unit, wherever located.

5. *"Completion of the transaction"* means when the presence of the customer at a satellite terminal is no longer needed to consummate the sale of goods or services, to grant to the seller the right to receive payment for the goods or services, and to issue a receipt to the customer.

6. *"Customer asset account"* or *"account"* means a demand deposit, share, checking, savings, or other customer account, other than an occasional or incidental credit balance in a credit plan, which represents a liability of the financial institution which maintains such account at a business location or office located in this state, either directly or indirectly for the benefit of a customer.

7. *"Data processing center"* means a facility, wherever located, at which electronic impulses or other indicia of a transaction originating at a satellite terminal are received and are processed in order to enable the satellite terminal to perform any function for which it is designed. However, *"data processing center"* does not include a facility which is directly connected to a satellite terminal and which performs only the functions of direct transmission of all requested transactions from that terminal to a data processing facility without performing any review of the requested transactions for the purpose of categorizing, separating, or routing. *"Categorizing"* means the process of reviewing and grouping of requested electronic funds transfer transactions according to the source or nature of the requested transaction. *"Separating"* means the process of interpreting and segregating requested electronic funds transfer transactions, or portions of such transactions, to provide for processing of information relating to such requested transactions or portions of such transactions. *"Routing"* means the process of interpreting and transmitting requested electronic funds transfer transactions to a destination selected at the time of interpretation and transmission from two or more alternative destinations.

8. *"Electronic personal identifier"* means a personal and confidential code or other security mechanism which has been designated by a financial institution issuing an access device to a customer to serve as a supplemental means of access to a customer's account that may be used by the customer in conjunction with an access device for the purpose of initiating a transaction by means of a satellite terminal.

9. *"Financial institution"* means and includes any bank incorporated under the provisions of any state or federal law, any savings and loan association incorporated under the provisions of federal law, any credit union organized under the provisions of any state or federal law, any corporation licensed as an industrial loan company under chapter 536A, and any affiliate of a bank, savings and loan association, credit union, or industrial loan company.

10. *"Limited-function terminal"* means an on-line point-of-sale terminal, an off-line point-of-sale terminal, or a multiple use terminal, which is not operated in a manner to accept an electronic personal identifier. Except as otherwise provided, a limited-function

terminal shall not be subject to the requirements imposed upon other satellite terminals pursuant to sections 527.4 and 527.5, subsections 1, 2, 3, 7, and 8.

11. *"Multiple use terminal"* means any machine or device to which all of the following are applicable:

a. The machine or device is established and owned or operated by a person who primarily engages in a service, business or enterprise, including but not limited to the retail sale of goods or services, but who is not organized under the laws of this state or under federal law as a bank, savings and loan association, or credit union;

b. The machine or device is used by the person by whom it is owned or operated in some capacity other than as a satellite terminal; and

c. A financial institution proposes to contract or has contracted to utilize that machine or device as a satellite terminal.

12. *"Municipal corporation"* means an incorporated city.

13. *"Office"* means and includes any business location in this state of a financial institution at which is offered the services of accepting deposits, originating loans, and dispensing cash, by financial institution personnel in the office.

14. *"Off-line point-of-sale terminal"* means a satellite terminal at any location in this state off the premises of the financial institution, other than an on-line point-of-sale terminal, that satisfies all of the following:

a. The satellite terminal is not operated to accept deposits or to dispense scrip or other negotiable instruments.

b. The satellite terminal is not operated to dispense cash except when operated by a person other than the customer initiating the transaction.

c. The satellite terminal is utilized for the purpose of making payment to the provider of goods or services purchased or provided at the location of the satellite terminal.

15. *"On-line point-of-sale terminal"* means a satellite terminal at any location in this state off the premises of the financial institution operated on an on-line real time basis, that satisfies all of the following:

a. The satellite terminal is not operated to accept deposits or to dispense scrip or other negotiable instruments.

b. The satellite terminal is not operated to dispense cash except when operated by a person other than the customer initiating the transaction.

c. The satellite terminal is utilized for the purpose of making payment to the provider of goods or services purchased or provided at the location of the satellite terminal.

16. *"On-line real time basis"* means the delivery or return of a message initiated at a satellite terminal through transmission of electronic impulses to or from a location remote from the location of the satellite terminal prior to completion of the transaction.

17. *"Personal terminal"* means and includes a satellite terminal located in a personal residence and a telephone, wherever located, operated by a customer of a financial institution for the purpose of initiating a transaction affecting a noncommercial account of the customer.

18. *"Premises"* means and includes only those locations where, by applicable law, financial institutions are authorized to maintain a principal place of business and other offices for the conduct of their respective businesses; provided that with respect to an industrial loan company, *"premises"* means only a location where business may be conducted under a single license issued to the industrial loan company.

19. *"Reciprocal basis"* means that a financial institution whose licensed or principal place of business is located in this state has the express authority under the laws of a state other than Iowa to conduct business under qualifications and conditions which are no more restrictive than those imposed by the laws of the other state on financial institutions whose licensed or principal place of business is located in the other state, as determined by the administrator, and the laws of Iowa are no more restrictive of financial institutions whose licensed or principal place of business is located in such other state than they are of financial institutions whose licensed or principal place of business is located in this state.

20. *"Satellite terminal"* means and includes any machine or device located off the premises of a financial institution, and any machine or device located on the premises of a

financial institution only if the machine or device is available for use by customers of other financial institutions, whether attended or unattended, by means of which the financial institution and its customers utilizing an access device may engage through either the immediate transmission of electronic impulses to or from the financial institution or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the financial institution, in transactions which affect a customer asset account and which otherwise are specifically permitted by applicable law. However, the term *"satellite terminal"* does not include any such machine or device, wherever located, if that machine or device is not generally accessible to persons other than employees of a financial institution or an affiliate of a financial institution.

[C77, 79, 81, §527.2]

87 Acts, ch 158, §1, 2; 89 Acts, ch 86, §1 – 7; 91 Acts, ch 216, §1 – 3; 95 Acts, ch 66, §1; 2000 Acts, ch 1232, §99, 107; 2012 Acts, ch 1017, §121

Referred to in §99D.9, 99F.7, 234.12A, 279.30, 423.3, 524.1212, 527.3, 547A.1, 714.16B, 715A.1, 715A.8, 715A.10