CHAPTER 536
REGULATED LOANS


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536.1 Title — license required.
1. This chapter may be required 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 the threshold amount 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 the threshold amount 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.
5. For the purposes of this section:
a. “Consumer loan” means the same as defined in section 537.1301.
b. “Threshold amount” 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; 2014 Acts, ch 1037, §8; 2015 Acts, ch 30, §171
Referred to in §536.10, 536.13, 536.19

536.2 Application — fees.
1. An application for a license shall be in the form prescribed by the superintendent, and shall contain all of the following:
a. The name and the address, both of the residence and place of business, of the applicant.
If the applicant is not a natural person, the application shall include the name and address of every member, director, officer, manager, and trustee of the applicant.

b. 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.

c. Other relevant information as the superintendent may require.

2. The applicant at the time of making the application shall pay to the superintendent the sum of one hundred dollars as a fee for investigating the application and the additional sum of two hundred fifty dollars as an annual license fee.

3. 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]

§536.3 Bond.

An applicant for a license shall file with the superintendent a bond furnished by a surety company authorized to do business in this state. Until such time as the superintendent through the administrative rule process determines a bond amount that reflects the dollar value of loans originated, the bond shall be in the amount of twenty-five thousand dollars. The bond shall be continuous in nature until canceled by the surety with not less than thirty days’ notice in writing to the licensee and to the superintendent indicating the surety’s intention to cancel the bond on a specific date. The bond shall be for the use of the state and any persons who may have causes of action against the applicant. The bond shall be conditioned upon the applicant’s faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state and to any persons all moneys that become due or owing to the state and to the persons from the applicant by virtue 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.

1. 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.

2. 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 partnership 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.

3. If the application is denied, the superintendent shall within twenty days thereafter file with the banking division 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 partnership 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]

2008 Acts, ch 1032, §106

536.6 Additional bond — available assets.

1. If the superintendent finds 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 a sum not to exceed that amount determined pursuant to section 536.3, shall be filed by the licensee within ten days after written demand upon the licensee by the superintendent.

2. 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]

2008 Acts, ch 1160, §26; 2009 Acts, ch 61, §41, 47

536.7 Separate license — change of name or place of business.

1. Only one place of business where loans are made shall be maintained under a license. However, 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.

2. A licensee shall notify the superintendent and submit a fee of twenty-five dollars per license to the superintendent thirty days in advance of the effective date of any of the following:
   a. A change in the name of the licensee.
   b. A change in the address of the location where the business is conducted.

[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]

2006 Acts, ch 1042, §34

536.7A Change in control — approval.
The prior written approval of the superintendent is required whenever a change in control of the licensee is proposed. For purposes of this section, “control” means control as defined in section 524.103. The superintendent may require information deemed necessary to determine whether a new application is required. When requesting approval, the person shall submit a fee of one hundred dollars to the superintendent.

2006 Acts, ch 1042, §35
536.8 Annual fee — payment.
Every licensee shall annually, on or before December 1, submit a renewal application on forms prescribed by the superintendent and pay to the superintendent the sum as provided in section 536.2 as an annual license fee for the next succeeding calendar year. The superintendent may assess a late fee of ten dollars per day, per license for renewal applications received after December 1.
[C35, §9438-f8; C39, §9438.08; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.8]
2006 Acts, ch 1042, §36

536.9 Disciplinary action.
1. The superintendent may, after notice and hearing pursuant to chapter 17A, take disciplinary action against a licensee if the superintendent finds any of the following:
   a. The licensee has violated a provision of this chapter or a rule adopted under this chapter or any other state or federal law, rule, or regulation applicable to the conduct of its business.
   b. A fact or condition exists which would have warranted the superintendent to refuse to originally issue the license.
   c. The licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this chapter.
   d. The licensee is insolvent.
   e. The licensee has violated an order of the superintendent.
2. The superintendent may impose one or more of the following disciplinary actions against a licensee:
   a. Revoke a license.
   b. Suspend a license until further order of the superintendent or for a specified period of time.
   c. Impose a period of probation under specified conditions.
   d. Impose civil penalties in an amount not to exceed five thousand dollars for each violation.
   e. Issue a citation and warning respecting licensee behavior.
   f. Order the licensee to pay restitution.
3. The superintendent may order an emergency suspension of a licensee’s license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.
4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.
5. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee’s civil or criminal liability for acts committed before the surrender.
6. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a borrower.
[C24, 27, 31, §9436; C35, §9438-f9; C39, §9438.09; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.9]
2008 Acts, ch 1160, §27

536.10 Examination of business — fee.
1. For the purpose of discovering violations of this chapter or securing information lawfully required by the superintendent, the superintendent may at any time, either personally or by designee, investigate the loans and business and examine the books, accounts, records, and files 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.
   a. The superintendent and the superintendent’s designee shall have and be given free
access to the place of business, books, accounts, papers, records, files, safes, and vaults of all persons examined.

b. The superintendent and the designee shall have authority to require the attendance of and to examine under oath all individuals whose testimony the superintendent may require relative to the loans or the business.

2. 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.

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

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

5. Except as otherwise provided by this chapter, all papers, documents, examination reports, and other writing relating to the supervision of licensees are not public records and are not subject to disclosure under chapter 22. The superintendent may disclose information to representatives of other state or federal regulatory authorities. The superintendent may release summary complaint information so long as the information does not specifically identify the complainant. The superintendent may prepare and circulate reports reflecting financial information and examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information. The superintendent may prepare and circulate reports provided by law. The superintendent may release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the superintendent. The superintendent may also provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

[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; 2006 Acts, ch 1042, §37
Referred to in §536.16, 537.2305

536.11 Records — annual report by licensee.

1. 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.

2. Each licensee shall annually on or before the fifteenth day of April 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.

3. Each licensee making residential mortgage loans shall submit to the nationwide mortgage licensing system and registry reports of condition, which shall be in such form and shall contain such information as the nationwide mortgage licensing system and registry
may require. For purposes of this subsection, “nationwide mortgage licensing system and registry” and “residential mortgage loan” mean the same as defined in section 535D.3.

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

2008 Acts, ch 1160, §28; 2009 Acts, ch 61, §42, 47

536.12 Restrictions on practices.

1. 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.

2. 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.

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

4. No licensee shall agree to obtain or arrange a residential mortgage for a potential borrower from a third person, unless the licensee also has a mortgage broker license and complies with all of the provisions of chapter 535B.

[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]

2008 Acts, ch 1160, §29

Referred to in §536.19

536.13 Loan classifications, interest rates, and charges — report, penalty, and consumer credit code applicability.

1. The superintendent 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 any 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 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 superintendent 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 superintendent 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 preexisting loan contracts lawfully entered into between a licensee and a borrower. All rules which the superintendent 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 superintendent shall give reasonable notice of the superintendent’s 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 superintendent, the maximum rate of interest or charges upon the class or classes of regulated loans is as follows:
a. Three percent per month on any part of the unpaid principal balance of the loan not exceeding one hundred fifty dollars.

b. Two percent per month on any part of the loan in excess of one hundred fifty dollars, but not exceeding three hundred dollars.

c. 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.

d. 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 the threshold amount as defined in section 537.1301 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 superintendent 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. a. The superintendent may establish the maximum rate of interest or charges as permitted under this chapter for those loans with an unpaid principal balance of thirty thousand dollars or less. For those loans with an unpaid principal balance of over thirty 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.

b. 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.

c. Chapter 537, article 2, parts 3, 5, and 6, chapter 537, article 3, and 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.

d. Except as provided in this subsection, the provisions of the Iowa consumer credit code, chapter 537, apply to loans regulated by this chapter and supersede conflicting provisions of this chapter. Section 537.2402, subsection 1, does not apply to loans regulated by this chapter.

[C24, 27, 31, §9420 – 9423; C35, §9438-f13; C39, §9438.13; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.13]


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
Referred to in §536.19
Security interest, see §554.1201, subsection 2, paragraph a

§536.15 Limitation on principal amount.
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 the threshold amount. 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 the threshold amount for principal. For the purposes of this section, “threshold amount” means the same as defined in section 537.1301.

[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; 2014 Acts, ch 1037, §10

§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 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]


§536.17 and 536.18 Reserved.

§536.19 Violations.
Any person, partnership, 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 chapter 537, article 5, part 3, of the Iowa consumer credit code, 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]


§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 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]


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]


536.26 Insured loans.
1. 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 exceeding beyond the final maturity date of the loan contract, but only upon one obligor on any one loan contract.

2. 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.

3. 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.

4. The premium, which shall be the only charge for the 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.

5. 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.

6. If the loan contract is prepaid in full by cash, a new loan, or otherwise, except by
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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 the 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]

§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. “Licensee” means a person licensed under this chapter.
4. “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]
2003 Acts, ch 44, §114
536.30 Powers and duties of the superintendent — nationwide system.
In addition to any other duties imposed upon the superintendent by law, the superintendent may require applicants and licensees to be licensed through the nationwide mortgage licensing system and registry as defined in section 535D.3. In order to carry out this requirement, the superintendent may participate in the nationwide mortgage licensing system and registry. For this purpose, the superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks, and pay fees therefor.

2009 Acts, ch 61, §43, 47