

537.2301 Authority to make supervised loans.

1. As used in this part, “*licensing authority*” means the agency designated in [chapter 524](#), [533](#), [536](#), or [536A](#) to issue licenses or otherwise authorize the conduct of business pursuant to the respective chapter or [this chapter](#), and “*licensee*” includes any person subject to regulation by a licensing authority. “*License*” includes the authorization, of whatever form, to engage in the conduct regulated under those chapters.

2. A person who is not authorized to make supervised loans as provided in [this section](#) shall not engage in the business of making supervised loans or undertaking direct collection of payments from or enforcement of rights against consumers arising from supervised loans, but the person may collect and enforce for three months without a license if the person promptly applies for a license and the person’s application has not been denied.

3. A supervised loan made by a person in violation of [subsection 2](#) shall be void and the consumer is not obligated to pay either the amount financed or the finance charge. If the consumer has paid any part of the amount financed or the finance charge, the consumer has a right to recover the payment from the person in violation of [subsection 2](#) or from an assignee of that person’s rights who undertakes direct collection of payments or enforcement of rights arising from the debt. With respect to violations arising from loans made pursuant to open-end credit, no action pursuant to [this subsection](#) may be brought more than two years after the violation occurred. With respect to violations arising from other loans, no action pursuant to [this subsection](#) may be brought more than one year after the due date of the last scheduled payment of the agreement pursuant to which the charge was paid.

4. The following persons are authorized to make supervised loans:

- a. A person who is a supervised financial organization.
- b. A person who has obtained a license pursuant to either [chapter 536](#) or [536A](#).
- c. A person who enters into less than ten supervised loans per year in this state and has neither an office physically located in this state nor engages in face-to-face solicitation in this state.

5. [This section](#) shall not affect dollar amount, purpose, or rate of finance charge restrictions imposed by any statute of this state or of the United States with respect to which a person is authorized to make loans at a rate of finance charge in excess of that permitted by [chapter 535](#) or pursuant to which a person is licensed.

[C75, 77, 79, 81, §537.2301]

[2012 Acts, ch 1017, §144](#); [2017 Acts, ch 138, §12](#); [2019 Acts, ch 59, §192](#)

Referred to in [§536.1](#), [536A.3](#), [536A.27](#), [537.1201](#), [537.2310](#), [537.5201](#), [537.5301](#)