

536A.22 Thrift certificates.

1. Licensed industrial loan companies shall not sell senior debt to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness.

2. *a.* Licensees selling debt instruments on January 1, 1996, may continue to do so until there is a change of control of the licensee which occurs on or after January 1, 1996. If there is a change of control of a licensee on or after January 1, 1996, and the licensee has sold senior debt instruments that remain outstanding at the time of the change of control, such outstanding senior debt instruments that do not have a stated maturity date shall be redeemed within six months of the date of the change of control. Such outstanding senior debt instruments with stated maturity dates shall be redeemed on their stated maturity dates.

b. The total amount of such thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness outstanding and in the hands of the general public shall not at any time exceed ten times the total amount of capital, surplus, undivided profits, and subordinated debt that gives priority to such securities of the issuing industrial loan company. The sale of such securities is subject to the provisions of [chapter 502](#) and rules adopted by the superintendent of banking pursuant to [chapter 17A](#), except that the sale of thrift certificates or installment thrift certificates which are redeemable by the holder either upon demand or within a period not in excess of five years are exempt from [sections 502.301](#) and [502.504](#).

[C66, 71, 73, 75, 77, 79, 81, §536A.22; 82 Acts, ch 1253, §39]

[91 Acts, ch 63, §3](#); [93 Acts, ch 96, §1](#); [96 Acts, ch 1159, §3](#); [2004 Acts, ch 1161, §67, 68](#); [2006 Acts, ch 1015, §17](#); [2007 Acts, ch 170, §6](#)