

537.3308 Balloon payments.

1. Except as provided in [subsection 2](#), if any scheduled payment of a consumer credit transaction is more than twice as large as the average of earlier scheduled payments, the consumer has the right to refinance the amount of that payment at the time it is due without penalty, as provided in [section 537.2504](#). The terms of the refinancing shall be no less favorable to the consumer than the terms of the original transaction.

2. [This section](#) does not apply to any of the following:

- a. A consumer lease.
- b. A transaction pursuant to open-end credit.
- c. A transaction to the extent that the payment schedule is adjusted to the seasonal or irregular income or scheduled payments of obligations of the consumer.
- d. A transaction of a class defined by rule of the administrator as not requiring for the protection of the consumer a right to refinance as provided in [this section](#).
- e. A consumer loan in which the amount financed exceeds five thousand dollars and is secured by an interest in land.
- f. A consumer rental purchase agreement.
- g. A consumer loan secured by a certificate of title in a motor vehicle.

[C75, 77, 79, 81, §537.3308; [82 Acts, ch 1153, §17](#)]

[87 Acts, ch 80, §43](#); [2001 Acts, ch 21, §1](#); [2018 Acts, ch 1041, §127](#)