

**203.15 Credit-sale contracts.**

A grain dealer shall not purchase grain by credit-sale contract except as provided in [this section](#).

1. The grain dealer shall be licensed pursuant to [section 203.3](#). All of the following apply to a grain dealer required to be licensed under that section who purchases grain by credit-sale contract:

a. The meaning of “*credit-sale contract*”, including “*deferred-payment contract*” or “*deferred-pricing contract*”, as those terms are defined in [section 203.1](#), shall supersede the meaning of those terms in a contract entered into by a seller and a licensed grain dealer.

b. The grain dealer shall provide written notice to the department prior to engaging in the purchase of grain by credit-sale contract. The written notice must contain all of the following:

(1) A statement that the grain dealer is engaging in the purchase of grain by deferred-pricing contract or deferred-payment contract or both.

(2) Any other information required by the department.

c. The grain dealer shall maintain credit-sale contract forms in the possession of the grain dealer. The department may require the credit-sale contract forms to distinguish between the purchase of grain by deferred-pricing contract or deferred-payment contract. The credit-sale contract forms must have been permanently and consecutively numbered at the time of printing of the forms. The grain dealer shall maintain an accurate record of all credit-sale contract forms and numbers obtained by that grain dealer. The record must include the disposition of each numbered form, whether by execution, destruction, or otherwise.

d. The grain dealer who purchases grain by credit-sale contract shall maintain records as required by the department in compliance with [this section](#). The department may require the grain dealer to account separately for deferred-pricing contracts and deferred-payment contracts.

2. In addition to other information as may be required, a credit-sale contract shall contain or provide for all of the following:

a. The seller’s name and address.

b. The conditions of delivery.

c. The amount and kind of grain delivered.

d. The price per bushel or basis of value.

e. The date payment is to be made.

f. The duration of the credit-sale contract, which shall not exceed fifteen months from the date the contract is executed.

3. a. If a grain dealer purchases grain by credit-sale contract, the grain dealer is transferred title to the grain upon the grain’s delivery to the grain dealer. As used in this paragraph, “*delivery*” means the same as defined in [section 203.8](#).

b. The contract must be signed and dated by both parties and executed in duplicate. One copy shall be retained by the grain dealer and one copy shall be delivered to the seller. Upon the cessation of the grain dealer’s license as provided in [section 203.10](#), the payment date for all credit-sale contracts shall be advanced to a date not later than thirty days after the effective date of the cessation, and the purchase price for all unpriced grain shall be determined as of the effective date of the cessation in accordance with all other provisions of the contract. However, if the business of the grain dealer is sold to another licensed grain dealer, credit-sale contracts may be assigned to the purchaser of the business.

4. A grain dealer shall not purchase grain by credit-sale contract if any of the following apply:

a. The grain dealer fails at any time to maintain fifty cents of net worth for each outstanding bushel of grain purchased by credit-sale contract. However, the grain dealer may maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of deficiency in net worth.

b. The grain dealer is also a warehouse operator licensed by the department of agriculture and land stewardship under [chapter 203C](#) or the United States department of agriculture under the United States Warehouse Act, and the warehouse operator fails to have a sufficient quantity or quality of grain to satisfy the warehouse operator’s obligations based on an

examination by the department of agriculture and land stewardship or the United States department of agriculture.

c. The grain dealer fails to submit to the department the grain dealer's last financial statement accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state as required pursuant to [section 203.3](#).

5. The department may suspend the right of a grain dealer to purchase grain by credit-sale contract based on any of the following conditions:

a. The grain dealer who is also a warehouse operator licensed by the department under [chapter 203C](#) or the United States department of agriculture under the United States Warehouse Act does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture.

b. The grain dealer who is also a warehouse operator licensed by the department under [chapter 203C](#) or the United States department of agriculture under the United States Warehouse Act issues back to the grain dealer a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased on credit and is unpaid for by the grain dealer.

c. The grain dealer fails to maintain requirements relating to net worth or fails to maintain a ratio of current assets to current liabilities, as required in [section 203.3](#).

d. The grain dealer violates [this section](#).

e. The grain dealer's total liabilities are greater than seventy-five percent of the grain dealer's total assets.

f. The grain dealer has made payment by use of a check or electronic funds transfer, and a financial institution refuses payment because of insufficient funds in a grain dealer's account.

g. The department discovers that a grain dealer has delayed payment for grain purchased since the department last inspected the grain dealer pursuant to [section 203.9](#).

6. a. A grain dealer who purchases grain by credit-sale contract shall obtain from the seller a signed acknowledgment stating that the seller has received a written notice explaining all of the following:

(1) Ordinarily, a person who sells grain to a licensed grain dealer may file a claim with the Iowa grain indemnity fund board for a loss or losses caused by the licensed grain dealer.

(2) For a grain transaction, other than by credit-sale contract, the seller may file a claim for indemnification of ninety percent of a loss.

(3) (a) For a credit-sale contract classified as a deferred-pricing contract, the seller may file a claim for indemnification of seventy-five percent of a loss.

(b) The indemnification limit for all losses is not more than four hundred thousand dollars but may be decreased to three hundred thousand dollars depending upon the extent to which the seller's loss arose from a deferred-pricing contract.

(c) For a credit-sale contract classified as a deferred-payment contract, a seller is not eligible to claim a loss for indemnification.

b. The form for the acknowledgment shall be prescribed by the department.

c. The licensed grain dealer and the seller shall each be provided a copy of the acknowledged form.

[C71, 73, 75, 77, §543.17; C79, 81, §542.8, 543.17; [81 Acts, ch 180, §12](#)]

C83, §542.15

[85 Acts, ch 234, §3](#); [86 Acts, ch 1152, §9](#); [87 Acts, ch 147, §4](#); [89 Acts, ch 143, §403](#); [92 Acts, ch 1239, §63, 64](#)

C93, §203.15

[99 Acts, ch 106, §7](#); [2003 Acts, ch 69, §8 – 11](#); [2008 Acts, ch 1083, §6, 7](#); [2009 Acts, ch 41, §80](#); [2009 Acts, ch 133, §212](#); [2012 Acts, ch 1095, §94 – 98](#); [2023 Acts, ch 154, §6, 19](#); [2025 Acts, ch 105, §6, 7](#)

Unnumbered paragraph 1 amended  
Subsections 1, 3, 4, and 6 amended