

537.2501 Additional charges.

1. In addition to the finance charge permitted by [parts 2 and 4](#), a creditor may contract for and receive the following additional charges:

a. Official fees and taxes.

b. Charges for insurance as described in [subsection 2](#).

c. Amounts actually paid or to be paid by the creditor for registration, certificate of title, or license fees.

d. Annual charges, payable in advance, for the privilege of using a credit card which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, under an arrangement pursuant to which the debts resulting from the purchases or leases are payable to the card issuer.

e. With respect to a debt secured by an interest in land, the following “closing costs”, provided they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of [this chapter](#):

(1) Fees or premiums for title examination, abstract of title, title insurance, or similar purposes including surveys.

(2) Fees for preparation of a deed, settlement statement, or other documents, if not paid to the creditor or a person related to the creditor.

(3) Escrows for future payments of taxes, including assessments for improvements, insurance, and water, sewer, and land rents.

(4) Fees for notarizing deeds and other documents, if not paid to the creditor or a person related to the creditor.

(5) Fees or charges listed in [section 535.8, subsection 4](#), paragraphs “a” and “b”.

(6) Discount points for the purpose of reducing, and that result in a bona fide reduction of, the interest rate applicable to the debt, or points, agreed upon by the creditor and the consumer to secure a given interest rate, provided the points and fees the consumer is charged by all lenders in connection with the consumer loan do not exceed the amounts specified in [12 C.F.R. §1026.43\(e\)\(3\)](#).

f. (1) With respect to open-end credit pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for an over-limit charge in accordance with [12 C.F.R. §1026.52\(b\)](#) if the balance of the account exceeds the credit limit established pursuant to the agreement. The over-limit charge under this paragraph shall not be assessed again in a subsequent billing cycle unless in a subsequent billing cycle the account balance has been reduced below the credit limit.

(2) If the differential treatment of [this subsection](#) based on the number of persons honoring a credit card is found to be unconstitutional, the parties may contract for the over-limit charge as described in this paragraph in any consumer credit transaction pursuant to open-end credit, and the other conditions relating to the over-limit charge shall remain in effect.

g. A surcharge as provided for in [section 554.3512](#) for a dishonored check, draft, or order that was accepted as payment for a consumer credit transaction payment. The surcharge shall not be assessed against the maker if the reason for the dishonor of the instrument is that the maker has stopped payment pursuant to [section 554.4403](#).

h. Charges for other benefits, including insurance, conferred on the consumer, if the benefits are of value to the consumer and if the charges are reasonable in relation to the benefits, are of a type which is not for credit, and are authorized as permissible additional charges by rule adopted by the administrator.

i. A reasonable annual account maintenance fee, payable in advance, for the privilege of maintaining a demand deposit account with a line of credit that may be accessed by the account holder writing a check.

j. For a consumer loan where the amount financed does not exceed three thousand dollars and the term of the loan does not exceed twelve months, a bank, credit union incorporated pursuant to state or federal law, or a federally chartered or out-of-state chartered savings bank or savings and loan association may charge an additional application fee not to exceed the lesser of ten percent of the amount financed or thirty dollars. The fee permitted pursuant

to this paragraph may be charged solely to applicants who are approved or to all applicants. The fee permitted pursuant to this paragraph shall not be charged in connection with a loan used for the purchase of a motor vehicle, or for a loan where the borrower's dwelling is used as security.

k. Credit reporting charges.

l. For a consumer credit transaction, a service charge in an amount not to exceed the lesser of ten percent of the amount financed or thirty dollars.

2. An additional charge may be made for insurance written in connection with the transaction, as follows:

a. With respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the creditor furnishes a clear, conspicuous, and specific statement in writing to the consumer setting forth the cost of the insurance if obtained from or through the creditor and stating that the consumer may choose the person through whom the insurance is to be obtained.

b. With respect to consumer credit insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the creditor, and this fact is clearly and conspicuously disclosed in writing to the consumer, and if, in order to obtain the insurance in connection with the extension of credit, the consumer gives specific dated and separately signed affirmative written indication of the consumer's desire to do so after written disclosure to the consumer of the cost. However, credit unemployment insurance shall be permitted under this paragraph if all of the following conditions have been met:

(1) The insurance provides coverage beginning with the first day of unemployment. However, the policy may include a waiting period before the consumer may file a claim.

(2) The insurance shall be sold separately and shall be separately priced from any other insurance offered or sold at the same time. The credit unemployment insurance need not be sold separately or separately priced from other insurance offered if it is included as part of an insurance offering by a credit card issuer to its credit cardholders.

(3) The premium rates have been affirmatively approved by the insurance division of the department of insurance and financial services. In approving or establishing the rates, the division shall review the insurance company's actuarial data to assure that the rates are fair and reasonable. The insurance commissioner shall either hire or contract with a qualified actuary to review the data. The insurance division shall obtain reimbursement from the insurance company for the cost of the actuarial review prior to approving the rates. In addition, the rates shall be made in accordance with the following provisions:

(a) Rates shall not be excessive, inadequate, or unfairly discriminatory.

(b) Due consideration shall be given to all relevant factors within and outside this state but rates shall be deemed to be reasonable under [this section](#) if they reasonably may be expected to produce a ratio of fifty percent by dividing claims incurred by premiums earned.

3. With respect to open-end credit obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the creditor may contract for and receive any charge lawfully contained in a prior agreement between the consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card account, if the account was acquired in an arm's-length for-value sale from a nonrelated or nonaffiliated creditor. The creditor may charge any charge on new open-end credit accounts lawfully permitted in a prior agreement between a consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card accounts.

4. For a consumer loan secured by an interest in land, if a creditor that is a mortgage banker licensed under [section 535B.5](#) or registered under [section 535B.3](#) originates such consumer loan in which the annual percentage rate, points, and fees the consumer is charged by all lenders in connection with the consumer loan do not exceed the amounts specified in [12 C.F.R. §1026.43\(e\)\(2\)\(vi\)](#) and [12 C.F.R. §1026.43\(e\)\(3\)](#), the consumer loan shall not be

subject to the limitations on fees specified in [section 535.8, subsection 4](#), paragraph “a”, or [section 535.8, subsection 5](#).

[C24, 27, 31, §9422; C35, §9438-f13; C39, §9438.13; C46, 50, 54, 58, 62, §536.13(6); C66, 71, 73, §536.13(6), 536A.23(6); C75, 77, 79, 81, §537.2501]

86 Acts, ch 1151, §1; 89 Acts, ch 68, §2, 3; 89 Acts, ch 296, §75; 95 Acts, ch 137, §1; 96 Acts, ch 1114, §1, 2; 99 Acts, ch 116, §1; 2007 Acts, ch 118, §2; 2012 Acts, ch 1017, §146; 2012 Acts, ch 1023, §157; 2014 Acts, ch 1037, §18; 2017 Acts, ch 138, §13 – 15; 2019 Acts, ch 24, §81; 2019 Acts, ch 27, §2; 2019 Acts, ch 115, §1; 2021 Acts, ch 16, §1; 2023 Acts, ch 19, §2759; 2025 Acts, ch 54, §1, 2

Referred to in §535.10, 536.27, 537.1301, 537.1303, 537.2503, 537.2504, 537.2510, 537.3611

Subsection 1, paragraph e, NEW subparagraph (6)

NEW subsection 4