

537.2504 Finance charge on refinancing.

With respect to a consumer credit transaction in which the rate of finance charge required to be disclosed in the transaction pursuant to [section 537.3201](#) does not exceed eighteen percent per year, other than a consumer lease or a consumer rental purchase agreement, the creditor may, by agreement with the consumer, refinance the unpaid balance and may contract for and receive a finance charge based on the amount financed resulting from the refinancing at a rate not exceeding that permitted by the provisions on finance charge for consumer credit sales other than open-end credit in [section 537.2201](#) if a consumer credit sale is refinanced, the provisions on finance charge for a consumer loan other than a supervised loan in [section 537.2401, subsection 1](#), or the provisions on finance charge for a supervised loan not pursuant to open-end credit in [section 537.2401, subsection 2](#), as applicable, if a consumer loan is refinanced. With respect to a consumer credit transaction in which the rate of finance charge required to be disclosed in the transaction to the consumer pursuant to [section 537.3201](#) exceeds eighteen percent per year, other than a consumer lease or a consumer rental purchase agreement, the creditor may by agreement with the consumer, refinance the unpaid balance and may contract for and receive a finance charge based on the amount financed resulting from the refinancing at a rate of finance charge not to exceed that which was required to be disclosed in the original transaction to the consumer pursuant to [section 537.3201](#). For the purpose of determining the finance charge permitted, the amount financed resulting from the refinancing consists of:

1. If the transaction was not precomputed, the total of the unpaid balance of the amount financed and the accrued charges, including finance charges, on the date of the refinancing, or, if the transaction was precomputed, the amount determined by deducting the unearned portion of the finance charge and any other unearned charges, including charges for insurance or deferral charges, from the unpaid balance on the date of refinancing. For the purposes of [this section](#), the unearned portion of the finance charge and deferral charge, if any, shall be determined as provided in [section 537.2510, subsection 2](#), but without allowing any minimum charge.

2. Appropriate additional charges as permitted under [section 537.2501](#), payment of which is deferred.

[C75, 77, 79, 81, §537.2504]

[87 Acts, ch 80, §35](#); [2018 Acts, ch 1041, §127](#)

Referred to in [§537.2505](#), [537.2508](#), [537.3308](#)