

187—16.12(536A) Real estate loans. A licensee may, subject to Iowa Code chapter 536A and these rules, extend credit secured by real estate; or discount, purchase, or finance vendors' or vendees' interest in real estate contracts.

16.12(1) If the licensee issues thrift certificates or similar evidences of indebtedness that are not insured by a federal deposit insurance agency, the following documentation shall be obtained and retained for the aforementioned loans or contracts secured by real estate. These documentation requirements do not apply to loans in which a lien or an interest in real estate is taken as additional collateral through an abundance of caution. The required documentation is as follows:

- a.* Loan application or similar document disclosing the name of the applicant(s), the purpose of the loan, and the proposed security.
- b.* A signed and dated financial statement from the borrower(s).
- c.* Credit report detailing the borrower's history of repaying debt.
- d.* Written verification that the licensee's interest in the security is properly insured.
- e.* Legal opinion or similar assurance affirming the validity of the licensee's lien or claim on the security.
- f.* Signed and dated appraisal, completed by a qualified person after inspecting the property, which indicates the market value of the property.
- g.* Legal documents including the note, security agreement, and mortgage or similar instrument constituting a lien or claim upon real estate.
- h.* Copies of all documents required to be disclosed to the borrower pursuant to state or federal laws.

16.12(2) Reserved.

This rule is intended to implement Iowa Code sections 536A.20 and 536A.22.