

761—640.5(321A) Judgments. A suspension of license and registrations is required when the department receives a certified copy of a judgment which has remained unsatisfied for at least 60 days.

640.5(1) Suspension. The suspension becomes effective on the date Form 431010, “Suspension Notice,” is served pursuant to 761—615.37(321). The notice shall inform the person that the privilege to operate and register motor vehicles in Iowa is suspended until the judgment is satisfied and proof of financial responsibility is shown. The duration of the suspension is provided in Iowa Code section 321A.14. When the suspension ends, the department shall issue to the person Form 431009, “Suspension Termination Notice.”

640.5(2) Suspension—exceptions.

a. Creditor’s consent. The judgment debtor may request consent from the judgment creditor for issuance of the debtor’s license and registrations while paying the judgment. If the creditor consents in writing and the debtor provides proof of financial responsibility, the suspension shall be terminated. If this consent is withdrawn, a new suspension is required in accordance with subrule 640.5(1).

b. Satisfaction of judgment. The judgment suspension will be terminated when the debtor obtains from the clerk of court a certificate of satisfaction or receipt for payment of the judgment and presents the certificate or receipt to the department and files proof of financial responsibility.

c. Bankruptcy. If the debtor submits to the department a copy of the petition for bankruptcy which includes the judgment debt, the department shall terminate the suspension.

d. Court order for installment payments. If the debtor submits to the department a court order authorizing payment of the judgment in installments and files proof of financial responsibility, the department shall terminate the suspension. A new suspension, as provided in subrule 640.5(1), is required when the department receives notice of a default in the payments. The default suspension continues until the judgment is satisfied.

e. Insurance coverage exception. The debtor can be relieved of the suspension if there was liability insurance coverage in effect at the time of the accident from which the judgment was rendered. The requirements are the same as provided in Iowa Code section 321A.13. The department will accept a letter from the insurance carrier confirming that they were authorized to issue liability insurance and that they did provide coverage for the debtor in amounts required by the financial responsibility law.

This rule is intended to implement Iowa Code sections 321A.12 to 321A.29 and 321A.31.

[ARC 4803C, IAB 12/4/19, effective 1/8/20]