



STATE OF IOWA
KIM REYNOLDS
GOVERNOR

May 6, 2025

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

Senate File 398, an Act relating to closing costs for a debt secured by an interest in land.

The above Senate File is hereby approved on this date.

Sincerely,

Kim Reynolds
Governor of Iowa

cc: Secretary of the Senate
Clerk of the House



Senate File 398

AN ACT
RELATING TO CLOSING COSTS FOR A DEBT SECURED BY AN INTEREST IN
LAND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

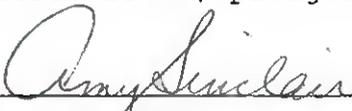
Section 1. Section 537.2501, subsection 1, paragraph e, Code 2025, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (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).

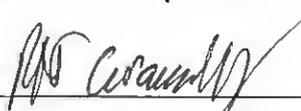
Sec. 2. Section 537.2501, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 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.

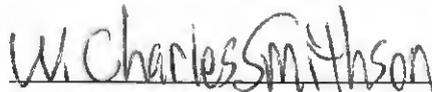


AMY SINCLAIR
President of the Senate

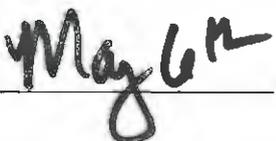


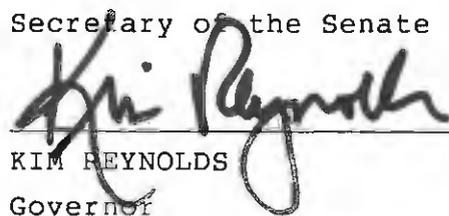
PAT GRASSLEY
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 398, Ninety-first General Assembly.



W. CHARLES SMITHSON
Secretary of the Senate

Approved , 2025



KIM REYNOLDS
Governor