

House File 1512

Commerce  
x Curtis, Chairperson *etc, Pass 5/19*  
Junkins  
Rodgers  
~~MARK~~ 1976

HOUSE FILE 1512

Place On Calendar

By COMMITTEE ON COMMERCE

Passed House, Date 5-3-76 (2370) Passed Senate, Date 5-20-76 (p. 2130)

Vote: Ayes 78 Nays 0 Vote: Ayes 44 Nays 1

Approved 6-23-76  
*Motion to reconsider (2/31)*

## A BILL FOR

1 An Act relating to the definition of open-end credit as  
2 used in the Iowa Consumer Credit Code.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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1 Section 1. Section five hundred thirty-seven point one  
2 thousand three hundred one (537.1301), subsection twenty-nine  
3 (29), paragraph d, Code 1975, is amended to read as follows:

4 d. Either the consumer has the privilege of paying in  
5 full or in instalments, or the transaction is a consumer  
6 credit transaction solely because a delinquency charge or  
7 the like is treated as a finance charge pursuant to sub-  
8 paragraph one (1) of paragraph b of subsection twenty (20)  
9 of section five hundred thirty-seven point one thousand three  
10 hundred one (537.1301) of the Code, or the creditor otherwise  
11 periodically imposes charged computed on the account for de-  
12 laying payment of it and permits the consumer to continue  
13 to purchase or lease on credit.

14 EXPLANATION

15 This bill is intended to clarify the law to provide that  
16 certain types of short-term revolving "convenience credit"  
17 offered by agricultural and retail suppliers are open-end  
18 credit. The present definitions of the Iowa Consumer Credit  
19 Code are not clear as to whether such convenience credit is  
20 "open-end" or "closed-end". Since open and closed-end credit  
21 are subject to different disclosures and restrictions, the  
22 agricultural or retail supplier must know into which category  
23 his credit plan fits if he is to comply with the law. This  
24 amendment would place within the open-end category those  
25 credit sale accounts where, although the borrower has a fixed  
26 date for payment of the total account balance, the lender  
27 assesses late payment charges and allows the borrower  
28 additional extensions of credit on the same account.

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LSB 3938  
lb/jw/5

H-6466

- 1 Amend House File 1512 as follows:
- 2 1. Page 1, line 11, by striking the word "charged"
- 3 and inserting in lieu thereof the following: "charged
- 4 charges".

H-6466 FILED - *Adopted 5/3* BY HANSEN of O'Brien  
APRIL 29, 1976 (2369)

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H-6468

- 1 Amend House File 1512 as follows:
- 2 1. Page 1, by inserting after line 13 the following
- 3 new section:
- 4 "Sec. 2. Section five hundred thirty-seven point
- 5 one thousand three hundred one (537.1301), subsec-
- 6 tions thirty (30) and thirty-two (32), Code 1975,
- 7 is amended to read as follows:
- 8 30. "Organization" means a corporation, govern-
- 9 ment or governmental subdivision or agency, trust,
- 10 estate, ~~partnership~~, co-operative, or association.
- 11 32. "Person" means:
- 12 a. A natural person, partnership, or an in-
- 13 dividual.
- 14 b. An organization."

H-6468 FILED - *Adopted 5/3* BY HANSEN of O'Brien  
APRIL 29, 1976 (2369) DUNTON of Keokuk  
SCHROEDER of Pottawattamie  
HOWELL of Floyd  
HINKHOUSE of Cedar

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HOUSE FILE 1512

H-6503

- 1 Amend House File 1512 as follows:
- 2 1. Title page, by striking all after the
- 3 word "relating" in line 1, all of line 2, and
- 4 inserting in lieu thereof the following: "to
- 5 the Iowa Consumer Credit Code."

H-6503 FILED, ADOPTED (2370) BY SMALL of Johnson  
MAY 3, 1976

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HOUSE FILE 1512

AN ACT

RELATING TO THE IOWA CONSUMER CREDIT CODE.

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

Section 1. Section five hundred thirty-seven point one thousand three hundred one (537.1301), subsection twenty-nine (29), paragraph d, Code 1975, is amended to read as follows:

d. Either the consumer has the privilege of paying in full or in installments, or the transaction is a consumer credit transaction solely because a delinquency charge or the like is treated as a finance charge pursuant to sub-paragraph one (1) of paragraph b of subsection twenty (20) of section five hundred thirty-seven point one thousand three hundred one (537.1301) of the Code, or the creditor otherwise periodically imposes charged charges computed on the account for delaying payment of it and permits the consumer to continue to purchase or lease on credit.

Sec. 2. Section five hundred thirty-seven point one thousand three hundred one (537.1301), subsections thirty (30) and thirty-two (32), Code 1975, are amended to read as follows:

30. "Organization" means a corporation, government or

governmental subdivision or agency, trust, estate, partnership, co-operative, or association.

32. "Person" means:

- a. A natural person, partnership, or an individual.
- b. An organization.

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DALE M. COCHRAN  
Speaker of the House

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ARTHUR A. NEU  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 1512, Sixty-sixth General Assembly.

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DAVID L. WRAY  
Chief Clerk of the House

Approved 6/23, 1976

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ROBERT D. RAY  
Governor