

Reprinted 2/79

Commerce: Pelton, Chair; Rapp and Shull.

Amended per 3203 & Do Pass 2/6 (p. 468)  
Commerce

HOUSE FILE 2

By EVANS

Passed House, Date 2-8-79 (p. 501) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 78 Nays 12 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved June 6, 1979

Motion to reconsider p. 509 w/d 2/13 (p. 555)

### A BILL FOR

1 An Act increasing the maximum lending limit of a small loan  
2 company to two thousand dollars.

3223, 3203 -2

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

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1 Section 1. Section five hundred thirty-six point one  
2 (536.1), Code 1979, is amended to read as follows:

3 536.1 LICENSE AND RIGHTS THEREUNDER--FACE-TO-FACE

4 SOLICITATION. With respect to a loan other than a consumer  
5 loan, no person, copartnership, association, or corporation  
6 shall engage in the business of making loans of money, credit,  
7 goods, or things in action in the amount or of the value of

3203 - 8 ~~one~~ two thousand dollars or less and charge, contract for,  
9 or receive on any such loan a greater rate of interest or  
10 consideration therefor than the lender would be permitted  
11 by law to charge if he or she were not a licensee hereunder  
12 except as authorized by this chapter and without first  
13 obtaining a license from the superintendent of banking,  
14 hereinafter called the superintendent. With respect to a  
15 consumer loan, a person required by section 537.2301 to have  
16 a license shall not engage in the business of making loans  
17 of money, credit, goods or things in action in the amount

3203 - 18 or value of ~~one~~ two thousand dollars or less and charge,  
19 contract for, or receive on any such loan a greater rate of  
20 interest or consideration therefor than the lender would be  
21 permitted by law to charge if he or she were not a licensee  
22 hereunder, except as authorized by this chapter and without  
23 first obtaining a license from the superintendent. A person  
24 who enters into less than ten supervised loans per year in  
25 this state and who neither has an office physically located  
26 in this state nor engages in face-to-face solicitation in  
27 this state may contract for and receive the rate of interest  
28 permitted in this chapter for licensees hereunder. A "consumer  
29 loan" shall be as defined in section 537.1301.

3203 > 30 Sec. 2. Section five hundred thirty-six point thirteen  
31 (536.13), subsection five (5), Code 1979, is amended to read  
32 as follows:

33 5. Every licensee hereunder may lend any sum of money  
3203 - 34 not exceeding ~~one~~ two thousand dollars in amount and may  
35 charge, contract for, and receive thereon interest or charges

1 at a rate not exceeding the maximum rate of interest or charges  
 2 determined and fixed by the board under authority of this  
 3 section or by the provisions of the preceding subsection 4.

4 Sec. 3. Section five hundred thirty-six point fifteen  
 5 (536.15), Code 1979, is amended to read as follows:

6 536.15 USURY--LIMITATION ON PRINCIPAL LOAN. No licensee  
 7 shall directly or indirectly charge, contract for, or re-  
 8 ceive any interest or consideration greater than the lender  
 9 would be permitted by law to charge if he or she were not  
 10 a licensee hereunder upon the loan, use, or forbearance of  
 11 money, goods, or things in action, or upon the loan, use,  
 12 or sale of credit, of the amount or value of more than ~~one~~  
 3203 - 13 two thousand dollars. The foregoing prohibition shall also  
 14 apply to any licensee who permits any person, as borrower  
 15 or as endorser, guarantor, or surety for any borrower, or  
 16 otherwise, to owe directly or contingently or both to the  
 17 licensee at any time the sum of more than ~~one~~ two thousand  
 18 dollars for principal.

19 Sec. 4. This Act is effective January first following  
 20 its enactment.

21 EXPLANATION

22 This bill increases from one thousand dollars to two  
 23 thousand dollars the maximum amount a person is entitled to  
 24 lend under the authority of a small loan company license.  
 25 The bill would become effective on January first following  
 26 its enactment.

HOUSE FILE 2

H-3223

- 1 Amend House File 2 as follows:  
 2 1. Amend the title page, line 2, by striking  
 3 the word "two" and inserting in lieu thereof the  
 4 word "three".

H-3223 FILED ADOPTED: (p. 500)  
 FEBRUARY 8, 1979

BY SCHROEDER of Pottawattamie

## HOUSE FILE 2

H-3203

1 Amend House File 2 as follows:

2 1. Page 1, line 8, by striking the word "two"  
3 and inserting in lieu thereof the word "three".

4 2. Page 1, line 18, by striking the word "two"  
5 and inserting in lieu thereof the word "three".

6 3. Page 1, by inserting after line 29 the following  
7 new section:

8 "Sec. 2. Section five hundred thirty-six point  
9 thirteen (536.13), subsection four (4), Code 1979,  
10 is amended to read as follows:

11 4. Beginning ~~July-4,--1965~~ January 1, 1980, and  
12 until such time as a ~~different~~ lower rate is fixed  
13 by the board, the maximum rate of interest or charges  
14 upon such class or classes of small loans shall be  
3221 - 15 three two and three-fourths percent per month on any  
16 part of the unpaid principal balance of the loan not  
17 exceeding ~~one~~ two hundred fifty dollars and two percent  
18 per month on any part of the loan in excess of ~~one~~  
19 two hundred fifty dollars, but not exceeding ~~three~~  
20 four hundred dollars, and one and one-half percent  
21 per month on any part of the unpaid principal balance  
22 of the loan in excess of ~~three~~ four hundred dollars,  
23 but not exceeding ~~seven-hundred~~ two thousand dollars,  
24 and one and one-fourth percent per month on any part  
25 of the unpaid principal balance of the loan in excess  
26 of ~~seven-hundred~~ two thousand dollars."

27 4. Page 1, line 34, by striking the word "two"  
28 and inserting in lieu thereof the word "three".

29 5. Page 2, line 13, by striking the word "two"  
30 and inserting in lieu thereof the word "three".

31 6. Amend the title, line 2, by inserting after  
32 the word "dollars" the words "and changing the maximum  
33 interest rates that may be charged on such loans".

H-3203 FILED *adopted 2/8 (p. 500)*  
FEBRUARY 6, 1979

BY COMMITTEE ON COMMERCE

## HOUSE FILE 2

H-3221

1 Amend amendment H-3203 to House File 2 as follows:

2 1. Page 1, line 15, by striking the word "three-  
3 fourths" and inserting in lieu thereof the word "one-  
4 half".

H-3221 FILED LOST (p. 500)  
FEBRUARY 8, 1979

BY JOCHUM of Dubuque  
BRUNER of Story

Commerce  
Gentleman, Chairperson  
Comito  
Deluhery

2/15  
Pass for 3327  
3/29 (p. 1015)

HOUSE FILE 2

By EVANS

(As Amended and Passed by the House)

Re Passed House, Date 5-2-79 (p. 2016) Passed Senate, Date 4-25-79 (p. 1405)

Vote: Ayes 54 Nays 36 Vote: Ayes 43 Nays 7

Approved June 6, 1979

Motion to reconsider (p. 2017)

# A BILL FOR

1 An Act increasing the maximum lending limit of a small loan  
2 company to three thousand dollars and changing the  
3 maximum interest rates that may be charged on such loans.

3327

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

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\_\_\_\_\_ House Amendments

3535-1 Section 1. Section five hundred thirty-six point one  
 2 (536.1), Code 1979, is amended to read as follows:  
 3 536.1 LICENSE AND RIGHTS THEREUNDER--FACE-TO-FACE  
 4 SOLICITATION. With respect to a loan other than a consumer  
 5 loan, no person, copartnership, association, or corporation  
 6 shall engage in the business of making loans of money, credit,  
 7 goods, or things in action in the amount or of the value of  
 3545-8 ~~one~~ three thousand dollars or less and charge, contract for,  
 9 or receive on any such loan a greater rate of interest or  
 10 consideration therefor than the lender would be permitted  
 11 by law to charge if he or she were not a licensee hereunder  
 12 except as authorized by this chapter and without first  
 13 obtaining a license from the superintendent of banking,  
 14 hereinafter called the superintendent. With respect to a  
 15 consumer loan, a person required by section 537.2301 to have  
 16 a license shall not engage in the business of making loans  
 17 of money, credit, goods or things in action in the amount  
 3563-18 or value of ~~one~~ three thousand dollars or less and charge,  
 19 contract for, or receive on any such loan a greater rate of  
 20 interest or consideration therefor than the lender would be  
 21 permitted by law to charge if he or she were not a licensee  
 22 hereunder, except as authorized by this chapter and without  
 23 first obtaining a license from the superintendent. A person  
 24 who enters into less than ten supervised loans per year in  
 25 this state and who neither has an office physically located  
 26 in this state nor engages in face-to-face solicitation in  
 27 this state may contract for and receive the rate of interest  
 28 permitted in this chapter for licensees hereunder. A "consumer  
 29 loan" shall be as defined in section 537.1301.

30 Sec. 2. Section five hundred thirty-six point thirteen  
 31 (536.13), subsection four (4), Code 1979, is amended to read  
 32 as follows:

33 4. Beginning ~~July 4, 1965~~ January 1, 1980, and until such  
 34 time as a ~~different~~ lower rate is fixed by the board, the  
 35 maximum rate of interest or charges upon such class or classes

1 of small loans shall be three two and three-fourths percent  
 2 per month on any part of the unpaid principal balance of the  
 3 loan not exceeding one two hundred fifty dollars and two  
 4 percent per month on any part of the loan in excess of one  
 5 two hundred fifty dollars, but not exceeding three four hundred  
 6 dollars, and one and one-half percent per month on any part  
 7 of the unpaid principal balance of the loan in excess of three  
 8 four hundred dollars, but not exceeding seven-hundred two  
 9 thousand dollars, and one and one-fourth percent per month  
 10 on any part of the unpaid principal balance of the loan in  
 11 excess of seven-hundred two thousand dollars.

12 Sec. 3. Section five hundred thirty-six point thirteen  
 13 (536.13), subsection five (5), Code 1979, is amended to read  
 14 as follows:

15 5. Every licensee hereunder may lend any sum of money  
 16 not exceeding one three thousand dollars in amount and may  
 17 charge, contract for, and receive thereon interest or charges  
 18 at a rate not exceeding the maximum rate of interest or charges  
 19 determined and fixed by the board under authority of this  
 20 section or by the provisions of the preceding subsection 4.

21 Sec. 4. Section five hundred thirty-six point fifteen  
 22 (536.15), Code 1979, is amended to read as follows:

23 536.15 USURY--LIMITATION ON PRINCIPAL LOAN. No licensee  
 24 shall directly or indirectly charge, contract for, or re-  
 25 ceive any interest or consideration greater than the lender  
 26 would be permitted by law to charge if he or she were not  
 27 a licensee hereunder upon the loan, use, or forbearance of  
 28 money, goods, or things in action, or upon the loan, use,  
 29 or sale of credit, of the amount or value of more than one

30 three thousand dollars. The foregoing prohibition shall also  
 31 apply to any licensee who permits any person, as borrower  
 32 or as endorser, guarantor, or surety for any borrower, or  
 33 otherwise, to owe directly or contingently or both to the  
 34 licensee at any time the sum of more than one two thousand  
 35 dollars for principal.

1 Sec. 5. This Act is effective January first following  
2 its enactment.

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HOUSE FILE 2

H-4168

1 Amend the Senate amendment, H-4146, to House File  
2 2 as amended, passed and reprinted by the House as  
3 follows:  
4 1. Page 1, by inserting after line 6 the follow-  
5 ing:  
6 "3. Page 1, by inserting after line 29 the follow-  
7 ing:  
8 "A licensee under this chapter who also holds a  
9 license issued under chapter five hundred thirty-six  
10 A (536A) of the Code shall not make a loan under the  
11 provisions of this chapter unless requested to do  
12 so by the prospective borrower after the licensee  
13 has disclosed in writing to the prospective borrower  
14 the terms and conditions of the loan if made under  
15 this chapter and the terms and conditions of the  
16 loan if made under the provisions of chapter five  
17 hundred thirty-six A (536A) of the Code."

H-4168 FILED *Revised not germane* BY BRUNER of Story  
APRIL 27, 1979 *5/2 (p. 2013)*

HOUSE FILE 2

H-4170

1 Amend the Senate amendment, H-4146, to House File  
2 2, as amended, passed and reprinted by the House as  
3 follows:  
4 1. Page 1, by striking lines 7 and 8 and inserting  
5 in lieu thereof the following:  
6 "    . Page 2, by striking lines 1 through 11 and  
7 inserting in lieu thereof the following:  
8 "of small loans shall be three thirty percent  
9 per month year on any part of the unpaid principal  
10 balance of the loan not exceeding one two hundred  
11 fifty dollars and two twenty-four percent per month  
12 year on any part of the loan in excess of one two  
13 hundred fifty dollars, but not exceeding three  
14 four hundred dollars, and one-and-one-half eighteen  
15 percent per month year on any part of the unpaid  
16 principal balance of the loan in excess of three  
17 four hundred dollars, but not exceeding seven-hundred  
18 two thousand dollars, and one-percent-per-month-on-any  
19 part-of-the-unpaid-principal-balance-of-the-loan-in  
20 excess-of-seven-hundred-dollars."

H-4170 FILED *Last 5/2* BY JOCHUM of Dubuque  
APRIL 27, 1979 *(p. 2014)* BRUNER of Story

SENATE AMENDMENT TO  
HOUSE FILE 2

H-4146

1 Amend House File 2 as amended, passed and reprinted  
2 by the House as follows:

3 1. Page 1, line 8, by striking the word "three"  
4 and inserting in lieu thereof the word "two".

5 2. Page 1, line 18, by striking the word "three"  
6 and inserting in lieu thereof the word "two".

7 3. Striking page 1, line 30 through page 2, line  
8 11.

9 4. Page 2, line 16, by striking the word "three"  
10 and inserting in lieu thereof the word "two".

11 5. Page 2, line 30, by striking the word "three"  
12 and inserting in lieu thereof the word "two".

13 6. Amend the title, lines 2 and 3, by striking  
14 the words "and changing the maximum interest rates  
15 that may be charged on such loans".

H-4146 FILED  
APRIL 27, 1979

RECEIVED FROM THE SENATE  
*House concurred 5/2 (p. 2016)*

HOUSE FILE 2

H-4169

1 Amend the Senate amendment, H-4146, to House File  
2 2 as amended, passed and reprinted by the House as  
3 follows:

4 1. Page 1, by striking lines 7 and 8 and inserting  
5 in lieu thereof the following:

6 "    . Page 2, by striking lines 9 through 11 and  
7 inserting in lieu thereof the following: "thousand  
8 ~~dollars, and one percent per month on any part of~~  
9 ~~the unpaid principal balance of the loan in excess~~  
10 ~~of seven hundred dollars.~~"

H-4169 FILED  
APRIL 27, 1979

*H/Drawn 5/2*  
*(p. 2015)* BY RAPP of Black Hawk

S-3327

- 1 Amend House File 2 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. By striking page 1, line 30 through page 2,  
 4 line 11.  
 5 2. Amend the title, lines 2 and 3, by striking  
 6 the words "and changing the maximum interest rates  
 7 that may be charged on such loans".

S-3327 FILED *Adopted 4/25* BY COMMITTEE ON COMMERCE  
 MARCH 29, 1979 (*p. 1404*) EDGAR H. HOLDEN, CHAIRPERSON

## HOUSE FILE 2

S-3375

- 1 Amend House File 2 as amended, passed and reprinted  
 2 by the House as follows:  
 3 1. Page 2, line 34, by striking the word "two"  
 4 and inserting in lieu thereof the word "three".

S-3375 FILED *Drawn 4/25 (1405)* BY EDGAR H. HOLDEN  
 APRIL 4, 1979

## HOUSE FILE 2

S-3535

- 1 Amend House File 2 as amended, passed, and  
 2 reprinted by the House as follows:  
 3 1. Page 2, line 1, by striking the word  
 4 "three-fourths" and inserting in lieu thereof  
 5 the word "one-half".

S-3535 FILED *Order of order* BY ROBERT M. CARR  
 APRIL 18, 1979 *4/25 (p. 1405)*

## HOUSE FILE 2

S-3563

- 1 Amend House File 2 as amended, passed, and  
 2 reprinted by the House as follows:  
 3 1. Page 1, line 8, by striking the word  
 4 "three" and inserting in lieu thereof the word  
 5 "two".  
 6 2. Page 1, line 18, by striking the word  
 7 "three" and inserting in lieu thereof the word  
 8 "two".  
 9 3. Page 2, line 16, by striking the word  
 10 "three" and inserting in lieu thereof the word  
 11 "two".  
 12 4. Page 2, line 30, by striking the word  
 13 "three" and inserting in lieu thereof the word  
 14 "two".

S-3563 FILED *Adopted 4/25* BY WILLIAM D. PALMER  
 APRIL 20, 1979 (*p. 1405*) GEORGE R. KINLEY

HOUSE FILE 2

AN ACT

INCREASING THE MAXIMUM LENDING LIMIT OF A SMALL LOAN COMPANY  
TO TWO THOUSAND DOLLARS.

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

Section 1. Section five hundred thirty-six point one  
(536.1), Code 1979, is amended to read as follows:

536.1 LICENSE AND RIGHTS THEREUNDER--FACE-TO-FACE  
SOLICITATION. With respect to a loan other than a consumer  
loan, no person, copartnership, association, or corporation  
shall engage in the business of making loans of money, credit,  
goods, or things in action in the amount or of the value of  
~~one~~ two thousand dollars or less and charge, contract for,  
or receive on any such loan a greater rate of interest or  
consideration therefor than the lender would be permitted  
by law to charge if he or she were not a licensee hereunder  
except as authorized by this chapter and without first  
obtaining a license from the superintendent of banking,  
hereinafter called the superintendent. With respect to a  
consumer loan, a person required by section 537.2301 to have  
a license shall not engage in the business of making loans  
of money, credit, goods or things in action in the amount

or value of ~~one~~ two thousand dollars or less and charge,  
contract for, or receive on any such loan a greater rate of  
interest or consideration therefor than the lender would be  
permitted by law to charge if he or she were not a licensee  
hereunder, except as authorized by this chapter and without  
first obtaining a license from the superintendent. A person  
who enters into less than ten supervised loans per year in  
this state and who neither has an office physically located  
in this state nor engages in face-to-face solicitation in  
this state may contract for and receive the rate of interest  
permitted in this chapter for licensees hereunder. A "consumer  
loan" shall be as defined in section 537.1301.

Sec. 2. Section five hundred thirty-six point thirteen  
(536.13), subsection five (5), Code 1979, is amended to read  
as follows:

5. Every licensee hereunder may lend any sum of money  
not exceeding ~~one~~ two thousand dollars in amount and may  
charge, contract for, and receive thereon interest or charges  
at a rate not exceeding the maximum rate of interest or charges  
determined and fixed by the board under authority of this  
section or by the provisions of the preceding subsection 4.

Sec. 3. Section five hundred thirty-six point fifteen  
(536.15), Code 1979, is amended to read as follows:

536.15 USURY--LIMITATION ON PRINCIPAL LOAN. No licensee  
shall directly or indirectly charge, contract for, or re-  
ceive any interest or consideration greater than the lender  
would be permitted by law to charge if he or she were not  
a licensee hereunder upon the loan, use, or forbearance of  
money, goods, or things in action, or upon the loan, use,  
or sale of credit, of the amount or value of more than ~~one~~  
two thousand dollars. The foregoing prohibition shall also  
apply to any licensee who permits any person, as borrower  
or as endorser, guarantor, or surety for any borrower, or  
otherwise, to owe directly or contingently or both to the  
licensee at any time the sum of more than ~~one~~ two thousand  
dollars for principal.

Sec. 4. This Act is effective January first following its enactment.

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FLOYD H. MILLEN  
Speaker of the House

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TERRY E. BRANSTAD  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2, Sixty-eighth General Assembly.

Approved June 6, 1979

---

DAVID L. WRAY  
Chief Clerk of the House

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ROBERT D. RAY  
Governor