

Reprinted 3/20

FEB 25 1980

Place On Calendar

HOUSE FILE 2486

BY COMMITTEE ON AGRICULTURE

(Formerly House File 2088)

Passed House, Date 3-19-80 (p 1004) Passed Senate, Date _____

Vote: Ayes 95 Nays 0 Vote: Ayes _____ Nays _____

Approved May 17, 1980

A BILL FOR

1 An Act to permit agricultural credit corporations to make
 2 agricultural purpose loans at interest rates in excess
 3 of the maximum rate permitted under section five hundred
 4 thirty-five point two (535.2) of the Code.

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

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2486

1 Section 1. Chapter five hundred thirty-five (535), Code
2 1979, is amended by adding the following new section:

3 NEW SECTION. LOANS BY AGRICULTURAL CREDIT CORPORATION.

4 1. An agricultural credit corporation, as defined in
5 section two (2) of this Act, may lend money pursuant to a
6 written promissory note or other writing evidencing the loan
7 obligation, at a rate of interest which is not more than four
8 percentage points above the lending rate in effect at the
9 federal intermediate credit bank of Omaha, Nebraska, for the
10 month during which the writing evidencing the loan obliga-
11 tion is made, provided that all of the following conditions
12 are satisfied:

13 a. The loan is for an agricultural purpose, as defined
14 in section five hundred thirty-seven point one thousand three
15 hundred one (537.1301), subsection four (4) of the Code.

16 b. The loan is not a consumer loan, as defined in section
17 five hundred thirty-seven point one thousand three hundred
18 one (537.1301), subsection fifteen (15) of the Code.

19 c. The loan would, but for this section, be subject to
20 the maximum rate of interest prescribed by section five hundred
21 thirty-five point two (535.2), subsection three (3), paragraph
22 a, of the Code.

23 2. On or prior to the first day of each calendar month
24 following the effective date of this Act, the superintendent
25 of banking shall determine the maximum rate of interest which
26 may be charged pursuant to subsection one (1) of this section
27 on loans made by an agricultural credit corporation during
28 that month, and shall cause the maximum rate to be published
29 as soon after determination as possible, as a notice in the
30 Iowa administrative bulletin or as a legal notice in a
31 newspaper of general circulation published in Polk county.
32 The maximum rate so determined shall be effective as provided
33 in subsection one (1) of this section regardless of the date
34 of publication of the notice, except that no agricultural
35 credit corporation shall be found in violation of this chapter

1 solely on account of having made a loan on or prior to the
2 day on which a notice of a maximum rate is published as
3 provided in this subsection, if the loan would have been
4 lawful if made during the preceding calendar month.

5 3. This section is an extension of authority and does
6 not prohibit an agricultural credit corporation from lending
7 money as otherwise permitted by law.

8 Sec. 2. Section five hundred thirty-seven point one thousand
9 three hundred one (537.1301), Code 1979, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. "Agricultural credit corporation" means
12 a corporation which is engaged solely in the making of loans
13 for agricultural purposes, and which is owned wholly or in
14 part by one or more banks or bank holding companies, and which
15 is eligible to borrow from or to discount loans with federal
16 intermediate credit banks under the authority of U.S.C. s.
17 2074, and rules promulgated thereunder, as amended on or
18 before the effective date of this Act.

19 Sec. 3. Section five hundred thirty-seven point two
20 thousand three hundred one (537.2301), subsection three (3),
21 Code 1979, is amended to read as follows:

22 3. The following persons are authorized to make super-
23 vised loans:

24 a. A person who is a supervised financial organization.

25 b. A person who has obtained a license pursuant to either
26 chapter 536 or 536A.

27 c. A person who enters into less than ten supervised loans
28 per year in this state and has neither an office physically
29 located in this state nor engages in face-to-face solicitation
30 in this state.

31 d. An agricultural credit corporation.

32 Sec. 4. Section five hundred thirty-seven point two thou-
33 sand four hundred one (537.2401), subsection one (1), Code
34 1979, is amended to read as follows:

35 1. Except as provided with respect to a finance charge

1 for loans pursuant to open end credit under section 537.2402,
2 a lender may contract for and receive a finance charge not
3 exceeding the maximum charge permitted by the laws of this
4 state or of the United States for similar lenders, and, in
5 addition, with respect to a consumer loan not secured by a
6 first lien on a dwelling of the debtor given to finance the
7 acquisition of that dwelling, a supervised financial
8 organization may contract for and receive a finance charge,
9 calculated according to the actuarial method, not exceeding
10 fifteen percent per year on the unpaid balance of the amount
11 financed. With respect to a consumer loan for an agricultural
12 purpose, an agricultural credit corporation may contract for
13 and receive a finance charge, calculated according to the
14 actuarial method, not exceeding fifteen percent per year on
15 the unpaid balance of the amount financed.

16 EXPLANATION

17 This bill amends Iowa law to permit agricultural credit
18 corporations to make loans for agricultural purposes at
19 interest rates in excess of the maximum rate in effect under
20 chapter 535. These corporations are typically owned wholly
21 or in part by banks or bank holding companies, but are separate
22 corporations that make agricultural purpose loans. The loans
23 are resold by the corporation to federal intermediate credit
24 banks in secondary market transactions. Under existing Iowa
25 law these corporations cannot charge interest at a rate
26 exceeding the usury rate in effect under section 535.2 of
27 the Code.

28 Section 1 of the bill adds a new section to chapter 535
29 of the Code to permit these corporations to charge a rate
30 not exceeding four percentage points above the lending rate
31 in effect at the federal intermediate credit bank of Omaha.
32 This rate would apply to all agricultural purpose loans except
33 those which are consumer loans as defined in chapter 537 of
34 the Code (i.e., agricultural purpose loans of \$35,000 or
35 less).

1 Sections 2, 3 and 4 of the bill amend the consumer credit
2 code to authorize agricultural credit corporations to charge
3 consumer credit code rates on agricultural purpose loans of
4 \$35,000 or less.

5 The bill would take effect July first following enactment.

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HOUSE FILE 2486

H-5453

- 1 Amend House File 2486 as follows:
2 1. Page 2, line 5, by striking the words "is an
3 extension of authority and".
4 2. Page 2, by striking lines 12 through 18 and
5 inserting in lieu thereof the words "a corporation
6 which has been designated by the federal intermediate
7 credit bank of Omaha, Nebraska, as an agricultural
8 credit corporation eligible to sell or discount loans
9 to that bank pursuant to the provisions of 12 United
10 States Code, sec. 2074."

H-5453 FILED
MARCH 12, 1980
Adopted 3/19 (p. 1004)

BY JOHNSON of Woodbury
PERKINS of Greene

HOUSE FILE 2486

H-5372

- 1 Amend House File 2486 as follows:
2 1. Page 2, lines 13 and 14, by striking the words
3 "and which is owned wholly or in part by one or more
4 banks or bank holding companies,".

H-5372 FILED
MARCH 5, 1980
4/5 3/19 (p. 1004)

BY JOHNSON of Woodbury

HOUSE FILE 2486

H-5585

- 1 Amend House File 2486 as follows:
2 1. Page 3, by inserting after line 15 the following
3 new section:
4 "Sec. ____ . This Act, being deemed of immediate
5 importance, shall take effect and be in force from and
6 after its publication in The Jefferson Herald, a newspaper
7 published in Jefferson, Iowa and The Council Bluffs
8 Nonpareil, a newspaper published in Council Bluffs, Iowa."

H-5585 FILED
MARCH 19, 1980
Adopted 3/19 (p. 1004)

BY PERKINS of Greene
SCHROEDER of Pottawattamie
PELLETT of Cass

*Original Committee 3/25 (p. 1022)
Do Pass 3/27 (p. 1136)*

HOUSE FILE 2486

By COMMITTEE ON AGRICULTURE

As Amended and Passed by the House)

Passed House, Date 4/26/80 (p. 2187) Passed Senate, Date 4/25/80 (p. 1750)

Vote: Ayes 93 Nays _____ Vote: Ayes 46 Nays 0

Approved May 17, 1980

A BILL FOR

1 An Act to permit agricultural credit corporations to make
2 agricultural purpose loans at interest rates in excess
3 of the maximum rate permitted under section five hundred
4 thirty-five point two (535.2) of the Code.

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

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House Amendments _____

1 Section 1. Chapter five hundred thirty-five (535), Code
2 1979, is amended by adding the following new section:

3 NEW SECTION. LOANS BY AGRICULTURAL CREDIT CORPORATION.

4 1. An agricultural credit corporation, as defined in
5 section two (2) of this Act, may lend money pursuant to a
6 written promissory note or other writing evidencing the loan
7 obligation, at a rate of interest which is not more than four
8 percentage points above the lending rate in effect at the
9 federal intermediate credit bank of Omaha, Nebraska, for the
10 month during which the writing evidencing the loan obliga-
11 tion is made, provided that all of the following conditions
12 are satisfied:

13 a. The loan is for an agricultural purpose, as defined
14 in section five hundred thirty-seven point one thousand three
15 hundred one (537.1301), subsection four (4) of the Code.

16 b. The loan is not a consumer loan, as defined in section
17 five hundred thirty-seven point one thousand three hundred
18 one (537.1301), subsection fifteen (15) of the Code.

19 c. The loan would, but for this section, be subject to
20 the maximum rate of interest prescribed by section five hundred
21 thirty-five point two (535.2), subsection three (3), paragraph
22 a, of the Code.

23 2. On or prior to the first day of each calendar month
24 following the effective date of this Act, the superintendent
25 of banking shall determine the maximum rate of interest which
26 may be charged pursuant to subsection one (1) of this section
27 on loans made by an agricultural credit corporation during
28 that month, and shall cause the maximum rate to be published
29 as soon after determination as possible, as a notice in the
30 Iowa administrative bulletin or as a legal notice in a
31 newspaper of general circulation published in Polk county.
32 The maximum rate so determined shall be effective as provided
33 in subsection one (1) of this section regardless of the date
34 of publication of the notice, except that no agricultural
35 credit corporation shall be found in violation of this chapter

1 solely on account of having made a loan on or prior to the
2 day on which a notice of a maximum rate is published as
3 provided in this subsection, if the loan would have been
4 lawful if made during the preceding calendar month.

* 5 3. This section does not prohibit an agricultural credit
6 corporation from lending money as otherwise permitted by law.

7 Sec. 2. Section five hundred thirty-seven point one thousand
8 three hundred one (537.1301), Code 1979, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. "Agricultural credit corporation" means
11 a corporation which has been designated by the federal
12 intermediate credit bank of Omaha, Nebraska, as an agricultural
13 credit corporation eligible to sell or discount loans to that
14 bank pursuant to the provisions of 12 United States Code,
15 s. 2074.

16 Sec. 3. Section five hundred thirty-seven point two
17 thousand three hundred one (537.2301), subsection three (3),
18 Code 1979, is amended to read as follows:

19 3. The following persons are authorized to make super-
20 vised loans:

21 a. A person who is a supervised financial organization.

22 b. A person who has obtained a license pursuant to either
23 chapter 536 or 536A.

24 c. A person who enters into less than ten supervised loans
25 per year in this state and has neither an office physically
26 located in this state nor engages in face-to-face solicitation
27 in this state.

28 d. An agricultural credit corporation.

29 Sec. 4. Section five hundred thirty-seven point two thou-
30 sand four hundred one (537.2401), subsection one (1), Code
31 1979, is amended to read as follows:

32 1. Except as provided with respect to a finance charge
33 for loans pursuant to open end credit under section 537.2402,
34 a lender may contract for and receive a finance charge not
35 exceeding the maximum charge permitted by the laws of this

1 state or of the United States for similar lenders, and, in
2 addition, with respect to a consumer loan not secured by a
3 first lien on a dwelling of the debtor given to finance the
4 acquisition of that dwelling, a supervised financial
5 organization may contract for and receive a finance charge,
6 calculated according to the actuarial method, not exceeding
7 fifteen percent per year on the unpaid balance of the amount
8 financed. With respect to a consumer loan for an agricultural
9 purpose, an agricultural credit corporation may contract for
10 and receive a finance charge, calculated according to the
11 actuarial method, not exceeding fifteen percent per year on
12 the unpaid balance of the amount financed.

13 Sec. 5. This Act, being deemed of immediate importance,
14 shall take effect and be in force from and after its
15 publication in The Jefferson Herald, a newspaper published
16 in Jefferson, Iowa and The Council Bluffs Nonpareil, a
17 newspaper published in Council Bluffs, Iowa.

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S-5788

Amend House File 2486 as amended, passed and
reprinted by the House as follows:

1. Page 1, line 5, by striking the words "section two (2) of this Act" and inserting in lieu thereof the words "subsection four (4) of this section".

2. Page 1, by striking lines 11 through 19 and inserting in lieu thereof the words "tion is made, provided that the loan is for an agricultural purpose as defined in section two (2) of this Act and further provided that the loan would, but for this section, be subject to".

3. Page 2, by inserting after line 6 the following:

"4. As used in this section, "agricultural credit corporation" means a corporation which has been designated by the federal intermediate credit bank of Omaha, Nebraska, as an agricultural credit corporation eligible to sell or discount loans to that bank pursuant to the provisions of 12 United States Code, s. 2074."

4. By striking page 2, line 7, through page 3, line 12, and inserting in lieu thereof the following:

"Sec. 2. Chapter five hundred thirty-five (535), Code 1979, is amended by adding the following new section:

NEW SECTION. DEFINITION. As used in this chapter, unless the context otherwise requires, "agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

Sec. 3. Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), section two (2), subsection one (1), paragraph e, is amended to read as follows:

e. A person borrowing money or obtaining credit for business or agricultural purposes, or a person borrowing money or obtaining credit in an amount which exceeds thirty-five thousand dollars for personal, family or household purposes. As used in this paragraph, "agricultural purpose" means ~~and includes any of the purposes referred to in section five hun-~~

~~1 dred-thirty-seven-point-one-thousand-three-hundred
2 ere-(537-1301),-subsection-four-(4)-of-the-Code,-but
3 regardless-of-whether-or-not-the-activities-described
4 in-that-subsection-are-undertaken-by-a-natural-person
5 or-ether-entity as defined in section two (2) of this
6 Act.~~

7 Sec. 4. Acts of the Sixty-eighth General Assembly,
8 1980 Session, House File two thousand four hundred
9 ninety-two (2492), section eight (8), amending section
10 five hundred thirty-five point eight (535.8),
11 subsection two (2), Code 1979 Supplement, is amended
12 by adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. This lettered paragraph
14 applies only to a mortgage given in connection with
15 a loan as defined in section five hundred thirty-five
16 point eight (535.8), subsection one (1), Code 1979
17 Supplement.

18 Sec. 5. Acts of the Sixty-eighth General Assembly,
19 1980 Session, House File two thousand four hundred
20 ninety-two (2492), section thirty-one (31), amending
21 section five hundred thirty-four point twenty-one
22 (534.21), subsection two (2), Code 1979, is amended
23 to read as follows:

24 SEC. 31. Section five hundred thirty-four point
25 twenty-one (534.21), subsection two (2), Code 1979,
26 is amended by adding the following new unnumbered
27 paragraph:

28 NEW UNNUMBERED PARAGRAPH. Renegotiable rate
29 mortgage loans may be made for a term of three, four
30 or five years, secured by a mortgage of up to thirty
31 years, and automatically renewable at a varying
32 interest rate. However, the authority to make home
33 mortgage loans under this paragraph is available only
34 for periods of time when federally chartered savings
35 and loan associations operating in this state are
36 granted similar authority, and the state authorization
37 is subject to the rights and limitations imposed upon
38 the federally chartered associations for this type
39 of activity.

40 Sec. 6. Acts of the Sixty-eighth General Assembly,
41 1980 Session, House File two thousand four hundred
42 ninety-two (2492), section thirty-three (33), is
43 amended to read as follows:

44 SEC. 33. All of the provisions of this Act except
45 sections one (1), three (3), four (4), five (5), eight
46 (8), twelve (12), fifteen (15), sixteen (16), seventeen
47 (17) through thirty (30), thirty-one (31) and thirty-
48 two (32) of this Act expire July 1, 1983.

49 Sec. 7. Acts of the Sixty-eighth General Assembly,
50 1980 Session, House File two thousand four hundred

S-5788
PAGE 3

1 ninety-two (2492), section thirty-four (34), subsection
2 three (3), is amended to read as follows:

3 3. Sections nine (9), ten (10) and eleven (11)
4 of this Act apply only with respect to contracts
5 executed on or after the effective date of this Act.
6 Sections thirteen (13) and fourteen (14) of this Act
7 apply only with respect to loans or extensions of
8 credit made or granted on or after the effective date
9 of this Act. ~~Sections~~-----and----- Section
10 seven (7) of this Act applies only with respect
11 to loan-~~or~~ credit account balances which arise out
12 of loans-~~or~~ credit made-~~or~~ extended on or after the
13 effective date of this Act.

14 Sec. 8. Section five hundred twenty-four point
15 one hundred three (524.103), Code 1979, is amended
16 by adding the following new subsection:

17 NEW SUBSECTION. "Agricultural credit corporation"
18 means as defined in section one (1), subsection four
19 (4) of this Act.

20 Sec. 9. Sections two (2), three (3), four (4),
21 five (5), six (6) and seven (7) of this Act are
22 retroactive to the effective date of Acts of the
23 Sixty-eighth General Assembly, 1980 Session, House
24 File two thousand four hundred ninety-two (2492),
25 and shall be deemed to have been enacted as an integral
26 part of that Act."

27 5. Amend the title, line 4, by inserting after
28 the word "Code" the words ", and making certain
29 retroactive correlating amendments to Acts of the
30 Sixty-eighth General Assembly, 1980 Session, House
31 File two thousand four hundred ninety-two (2492),
32 sections two (2), eight (8), thirty-one (31), thirty-
33 three (33) and thirty-four (34)".

34 6. By renumbering sections.

S-5788 FILED BY EDGAR H. HOLDEN
APRIL 21, 1980

Placed out of order 4/25/80 (1980)

HOUSE FILE 2486

S-5794

1 Amend amendment S-5788 to House File 2486 as
2 amended, passed and reprinted by the House, as follows:

3 1. Page 3, by striking lines 9 through 13 and
4 inserting in lieu thereof the words "of this Act.
5 Section seven (7) of this Act applies only with respect
6 to credit account balances which arise out of credit
7 extended on or after the effective date of this Act."

S-5794 FILED
APRIL 22, 1980

BY EDGAR H. HOLDEN

Placed out of order 4/25/80 (1980)

S-5834

1 Amend House File 2486 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, line 5, by striking the words "section
4 two (2) of this Act" and inserting in lieu thereof
5 the words "subsection four (4) of this section".

6 2. Page 1, by striking lines 11 through 19 and
7 inserting in lieu thereof the words "tion is made,
8 provided that the loan is for an agricultural purpose
9 as defined in section two (2) of this Act and further
10 provided that the loan would, but for this section,
11 be subject to".

12 3. Page 2, by inserting after line 6 the follow-
13 ing:

14 "4. As used in this section, "agricultural credit
15 corporation" means a corporation which has been
16 designated by the federal intermediate credit bank
17 of Omaha, Nebraska, as an agricultural credit
18 corporation eligible to sell or discount loans to
19 that bank pursuant to the provisions of 12 United
20 States Code, s. 2074."

21 4. By striking page 2, line 7, through page 3,
22 line 12, and inserting in lieu thereof the following:

23 "Sec. 2. Chapter five hundred thirty-five (535),
24 Code 1979, is amended by adding the following new
25 section:

26 NEW SECTION. DEFINITION. As used in this chapter,
27 unless the context otherwise requires, "agricultural
28 purpose" means a purpose related to the production,
29 harvest, exhibition, marketing, transportation,
30 processing or manufacture of agricultural products
31 by a person who cultivates, plants, propagates or
32 nurtures the agricultural products. "Agricultural
33 products" includes agricultural, horticultural,
34 viticultural, and dairy products, livestock, wildlife,
35 poultry, bees, forest products, fish and shellfish,
36 and any products thereof, including processed and
37 manufactured products, and any and all products raised
38 or produced on farms and any processed or manufactured
39 products thereof.

40 Sec. 3. Acts of the Sixty-eighth General Assembly,
41 1980 Session, House File two thousand four hundred
42 ninety-two (2492), section two (2), subsection one
43 (1), paragraph e, is amended to read as follows:

44 e. A person borrowing money or obtaining credit
45 for business or agricultural purposes, or a person
46 borrowing money or obtaining credit in an amount which
47 exceeds thirty-five thousand dollars for personal,
48 family or household purposes. As used in this
49 paragraph, "agricultural purpose" means ~~and includes~~
50 ~~any of the purposes referred to in section five hun-~~

S-5834
PAGE 2

1 dred-thirty-seven-point-one-thousand-three-hundred
2 one-(537-4394)-subsection-four-(4)-of-the-Code-but
3 regardless-of-whether-or-not-the-activities-described
4 in-that-subsection-are-undertaken-by-a-natural-person
5 or-other-entity as defined in section two (2) of this
6 Act.

7 Sec. 4. Section five hundred twenty-four point
8 one hundred three (524.103), Code 1979, is amended
9 by adding the following new subsection:
10 NEW SUBSECTION. "Agricultural credit corporation"
11 means as defined in section one (1), subsection four
12 (4) of this Act.

13 Sec. 5. Sections two (2) and three (3) of this
14 Act are retroactive to the effective date of Acts
15 of the Sixty-eighth General Assembly, 1980 Session,
16 House File two thousand four hundred ninety-two (2492),
17 and shall be deemed to have been enacted as an integral
18 part of that Act."

S-5834 FILED
APRIL 23, 1980

BY EDGAR H. HOLDEN

Placed out of order 4/25 (p. 1756)

HOUSE FILE 2486

S-5845

1 Amend amendment S-5834 to House File 2486 as
2 amended, passed and reprinted by the House, as follows:

3 1. Page 1, line 8, by inserting after the word
4 "agricultural" the word "production".

5 2. Page 1, line 9, by striking the words and
6 figure "section two (2) of this Act" and inserting
7 in lieu thereof the words and figure "subsection five
8 (5) of this section".

9 3. Page 1, by striking line 20 and inserting in
10 lieu thereof the words and figures "State Code, s.
11 2074.

12 5. As used in this section "agricultural production
13 purpose" means a purpose related to the production
14 of agricultural products. "Agricultural products"
15 includes agricultural, horticultural, viticultural,
16 and dairy products, livestock, wildlife, poultry,
17 bees, forest products thereof, and any and all products
18 produced on farms."

S-5845 FILED
APRIL 23, 1980

BY C. JOSEPH COLEMAN
ARNE WALDSTEIN
IRVIN L. BERGMAN

Placed out of order 4/25 (p. 1756)

S-5915

1 Amend House File 2486 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, line 5, by striking the words "section
4 two (2) of this Act" and inserting in lieu thereof
5 the words "subsection four (4) of this section".

6 2. Page 1, by striking lines 11 through 19 and
7 inserting in lieu thereof the words "tion is made,
8 provided that the loan is for an agricultural purpose
9 as defined in section two (2) of this Act and further
10 provided that the loan would, but for this section,
11 be subject to".

12 3. Page 2, by inserting after line 6 the follow-
13 ing:

14 "4. As used in this section, "agricultural credit
15 corporation" means a corporation which has been
16 designated by the federal intermediate credit bank
17 of Omaha, Nebraska, as an agricultural credit
18 corporation eligible to sell or discount loans to
19 that bank pursuant to the provisions of 12 United
20 States Code, s. 2074."

21 4. By striking page 2, line 7, through page 3,
22 line 12, and inserting in lieu thereof the following:

23 "Sec. 2. Chapter five hundred thirty-five (535),
24 Code 1979, is amended by adding the following new
25 section:

26 NEW SECTION. DEFINITION. As used in this chapter,
27 unless the context otherwise requires, "agricultural
28 purpose" means a purpose related to the production,
29 harvest, exhibition, marketing, transportation,
30 processing or manufacture of agricultural products
31 by a person who cultivates, plants, propagates or
32 nurtures the agricultural products. "Agricultural
33 products" includes agricultural, horticultural,
34 viticultural, and dairy products, livestock, wildlife,
35 poultry, bees, forest products, fish and shellfish,
36 and any products thereof, including processed and
37 manufactured products, and any and all products raised
38 or produced on farms and any processed or manufactured
39 products thereof.

40 Sec. 3. Acts of the Sixty-eighth General Assembly,
41 1980 Session, House File two thousand four hundred
42 ninety-two (2492), section two (2), subsection one
43 (1), paragraph e, is amended to read as follows:

44 e. A person borrowing money or obtaining credit
45 for business or agricultural purposes, or a person
46 borrowing money or obtaining credit in an amount which
47 exceeds thirty-five thousand dollars for personal,
48 family or household purposes. As used in this
49 paragraph, "agricultural purpose" means ~~and includes~~
50 ~~any of the purposes referred to in section five hun-~~

S-5915
PAGE 2

1 ~~ered-thirty-seven-point-one-thousand-three-hundred~~
2 ~~one-(537-7304)-, subsection-four-(4)-of-the-Code,-but~~
3 ~~regardless-of-whether-or-not-the-activities-described~~
4 ~~in-that-subsection-are-undertaken-by-a-natural-person~~
5 ~~or-ether-entity as defined in section two (2) of this~~
6 ~~Act.~~

7 Sec. 4. Acts of the Sixty-eighth General Assembly,
8 1980 Session, House File two thousand four hundred
9 ninety-two (2492), section eight (8), amending section
10 five hundred thirty-five point eight (535.8),
11 subsection two (2), Code 1979 Supplement, is amended
12 by adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. This lettered paragraph
14 applies only to a mortgage given in connection with
15 a loan as defined in section five hundred thirty-five
16 point eight (535.8), subsection one (1), Code 1979
17 Supplement.

18 Sec. 5. Section five hundred twenty-four point
19 one hundred three (524.103), Code 1979, is amended
20 by adding the following new subsection:

21 NEW SUBSECTION. "Agricultural credit corporation"
22 means as defined in section one (1), subsection four
23 (4) of this Act.

24 Sec. 6. Sections two (2), three (3) and four (4)
25 of this Act are retroactive to the effective date
26 of Acts of the Sixty-eighth General Assembly, 1980
27 Session, House File two thousand four hundred ninety-
28 two (2492), and shall be deemed to have been enacted
29 as an integral part of that Act."

S-5915 FILED *Adopted as amended by S-5915* BY EDGAR H. HOLDEN
APRIL 24, 1980 *4/25 (p. 1756)* HOUSE FILE 2486
S-5956

- 1 Amend the Holden amendment S-5915 to House File 2486
2 as amended, passed and reprinted by the House as follows:
3 1. Page 1, line 8, by inserting after the word
4 "agricultural" the word "production".
5 2. Page 1, line 9, by striking the words and figure
6 "section two (2) of this Act" and inserting in lieu
7 thereof the words and figure "subsection five (5) of
8 this section".
9 3. Page 1, by striking line 20 and inserting in
10 lieu thereof the words and figures "States Code, s.
11 2074."
12 5. As used in this section "agricultural production
13 purpose" means a purpose related to the production
14 of agricultural products. "Agricultural products"
15 includes agricultural, horticultural, viticultural,
16 and dairy products, livestock, wildlife, poultry,
17 bees, forest products thereof, and any and all products
18 produced on farms."

S-5956 FILED
APRIL 25, 1980
Adopted 4/25 (p. 1756)

BY ARNE WALDSTEIN
C. JOSEPH COLEMAN
IRVIN L. BERGMAN
BERL E. PRIEBE

SENATE AMENDMENT TO
HOUSE FILE 2486

R 3406

1 Amend House File 2486 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, line 5, by striking the words "section
4 two (2) of this Act" and inserting in lieu thereof
5 the words "subsection four (4) of this section".

6 2. Page 1, by striking lines 11 through 19 and
7 inserting in lieu thereof the words "tion is made,
8 provided that the loan is for an agricultural
9 production purpose as defined in subsection five (5)
10 of this section and further provided that the loan
11 would, but for this section, be subject to".

12 3. Page 2, by inserting after line 6 the follow-
13 ing:

14 "4. As used in this section, "agricultural credit
15 corporation" means a corporation which has been
16 designated by the federal intermediate credit bank
17 of Omaha, Nebraska, as an agricultural credit
18 corporation eligible to sell or discount loans to
19 that bank pursuant to the provisions of 12 United
20 States Code, s. 2074.

21 5. As used in this section "agricultural production
22 purpose" means a purpose related to the production
23 of agricultural products. "Agricultural products"
24 includes agricultural, horticultural, viticultural,
25 and dairy products, livestock, wildlife, poultry,
26 bees, forest products thereof, and any and all products
27 produced on farms."

28 4. By striking page 2, line 7, through page 3,
29 line 12, and inserting in lieu thereof the following:

30 "Sec. 2. Chapter five hundred thirty-five (535),
31 Code 1979, is amended by adding the following new
32 section:

33 NEW SECTION. DEFINITION. As used in this chapter,
34 unless the context otherwise requires, "agricultural
35 purpose" means a purpose related to the production,
36 harvest, exhibition, marketing, transportation,
37 processing or manufacture of agricultural products
38 by a person who cultivates, plants, propagates or
39 nurtures the agricultural products. "Agricultural
40 products" includes agricultural, horticultural,
41 viticultural, and dairy products, livestock, wildlife,
42 poultry, bees, forest products, fish and shellfish,
43 and any products thereof, including processed and
44 manufactured products, and any and all products raised
45 or produced on farms and any processed or manufactured
46 products thereof.

47 Sec. 3. Acts of the Sixty-eighth General Assembly,
48 1980 Session, House File two thousand four hundred
49 ninety-two (2492), section two (2), subsection one
50 (1), paragraph e, is amended to read as follows:

H-6406
Page two

1 e. A person borrowing money or obtaining credit
2 for business or agricultural purposes, or a person
3 borrowing money or obtaining credit in an amount which
4 exceeds thirty-five thousand dollars for personal,
5 family or household purposes. As used in this
6 paragraph, "agricultural purpose" means ~~and includes~~
7 ~~any of the purposes referred to in section five hun-~~
8 ~~dred thirty-seven point one thousand three hundred~~
9 ~~one (537.1301), subsection four (4) of the Code, but~~
10 ~~regardless of whether or not the activities described~~
11 ~~in that subsection are undertaken by a natural person~~
12 ~~or other entity as defined in section two (2) of this~~
13 ~~Act.~~

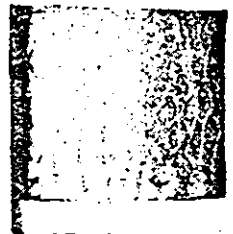
14 Sec. 4. Acts of the Sixty-eighth General Assembly,
15 1980 Session, House File two thousand four hundred
16 ninety-two (2492), section eight (8), amending section
17 five hundred thirty-five point eight (535.8),
18 subsection two (2), Code 1979 Supplement, is amended
19 by adding the following new unnumbered paragraph:
20 NEW UNNUMBERED PARAGRAPH. This lettered paragraph
21 applies only to a mortgage given in connection with
22 a loan as defined in section five hundred thirty-five
23 point eight (535.8), subsection one (1), Code 1979
24 Supplement.

25 Sec. 5. Section five hundred twenty-four point
26 one hundred three (524.103), Code 1979, is amended
27 by adding the following new subsection:
28 NEW SUBSECTION. "Agricultural credit corporation"
29 means as defined in section one (1), subsection four
30 (4) of this Act.

31 Sec. 6. Sections two (2), three (3) and four (4)
32 of this Act are retroactive to the effective date
33 of Acts of the Sixty-eighth General Assembly, 1980
34 Session, House File two thousand four hundred ninety-
35 two (2492), and shall be deemed to have been enacted
36 as an integral part of that Act."

H-6406 FILED APRIL 25, 1980 RECEIVED FROM THE SENATE

House approved 4/26 (p. 2157)



HOUSE FILE 2486

AN ACT

TO PERMIT AGRICULTURAL CREDIT CORPORATIONS TO MAKE AGRICULTURAL PURPOSE LOANS AT INTEREST RATES IN EXCESS OF THE MAXIMUM RATE PERMITTED UNDER SECTION FIVE HUNDRED THIRTY-FIVE POINT TWO (535.2) OF THE CODE.

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

Section 1. Chapter five hundred thirty-five (535), Code 1979, is amended by adding the following new section:

NEW SECTION. LOANS BY AGRICULTURAL CREDIT CORPORATION.

1. An agricultural credit corporation, as defined in subsection four (4) of this section, may lend money pursuant to a written promissory note or other writing evidencing the loan obligation, at a rate of interest which is not more than four percentage points above the lending rate in effect at the federal intermediate credit bank of Omaha, Nebraska, for the month during which the writing evidencing the loan obligation is made, provided that the loan is for an agricultural production purpose as defined in subsection five (5) of this section and further provided that the loan would, but for this section, be subject to the maximum rate of interest prescribed by section five hundred thirty-five point two (535.2), subsection three (3), paragraph a, of the Code.

2. On or prior to the first day of each calendar month following the effective date of this Act, the superintendent of banking shall determine the maximum rate of interest which may be charged pursuant to subsection one (1) of this section on loans made by an agricultural credit corporation during that month, and shall cause the maximum rate to be published as soon after determination as possible, as a notice in the Iowa administrative bulletin or as a legal notice in a

newspaper of general circulation published in Polk county. The maximum rate so determined shall be effective as provided in subsection one (1) of this section regardless of the date of publication of the notice, except that no agricultural credit corporation shall be found in violation of this chapter solely on account of having made a loan on or prior to the day on which a notice of a maximum rate is published as provided in this subsection, if the loan would have been lawful if made during the preceding calendar month.

3. This section does not prohibit an agricultural credit corporation from lending money as otherwise permitted by law.

4. As used in this section, "agricultural credit corporation" means a corporation which has been designated by the federal intermediate credit bank of Omaha, Nebraska, as an agricultural credit corporation eligible to sell or discount loans to that bank pursuant to the provisions of 12 United States Code, s. 2074.

5. As used in this section "agricultural production purpose" means a purpose related to the production of agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products thereof, and any and all products produced on farms.

Sec. 2. Chapter five hundred thirty-five (535), Code 1979, is amended by adding the following new section:

NEW SECTION. DEFINITION. As used in this chapter, unless the context otherwise requires, "agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and

any and all products raised or produced on farms and any processed or manufactured products thereof.

Sec. 3. Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), section two (2), subsection one (1), paragraph e, is amended to read as follows:

e. A person borrowing money or obtaining credit for business or agricultural purposes, or a person borrowing money or obtaining credit in an amount which exceeds thirty-five thousand dollars for personal, family or household purposes. As used in this paragraph, "agricultural purpose" means and ~~includes any of the purposes referred to in section five hundred thirty-seven point one thousand three hundred one (537.1301), subsection four (4) of the Code, but regardless of whether or not the activities described in that subsection are undertaken by a natural person or other entity as defined in section two (2) of this Act.~~

Sec. 4. Acts of the Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), section eight (8), amending section five hundred thirty-five point eight (535.8), subsection two (2), Code 1979 Supplement, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This lettered paragraph applies only to a mortgage given in connection with a loan as defined in section five hundred thirty-five point eight (535.8), subsection one (1), Code 1979 Supplement.

Sec. 5. Section five hundred twenty-four point one hundred three (524.103), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. "Agricultural credit corporation" means as defined in section one (1), subsection four (4) of this Act.

Sec. 6. Sections two (2), three (3) and four (4) of this Act are retroactive to the effective date of Acts of the

Sixty-eighth General Assembly, 1980 Session, House File two thousand four hundred ninety-two (2492), and shall be deemed to have been enacted as an integral part of that Act.

Sec. 7. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Jefferson Herald, a newspaper published in Jefferson, Iowa and The Council Bluffs Nonpareil, a newspaper published in Council Bluffs, Iowa.

WILLIAM H. HARBOR
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2486, Sixty-eighth General Assembly.

BRUCE GRAHAM
Assistant Chief Clerk of the House

Approved May 17, 1980

ROBERT D. RAY
Governor