

FEB 6 1986

HOUSE FILE 2230

Place On Calendar

BY COMMITTEE ON SMALL BUSINESS
AND COMMERCE

(Formerly House Study Bill 507)

Passed House, Date 2-14-86 (p. 319) Passed Senate, Date _____
Vote: Ayes 73 Nays 18 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the disclosure of information regarding open-
2 end credit accounts, credit cards, and financial services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 2230

H-5100

1 Amend House File 2230 as follows:
2 i. Page 1, by striking lines 11 and 12 and
3 inserting the following: "mean as defined in section
4 537.1301."

BY PARKER of Jasper
HUMMEL of Benton

H-5100 FILED FEBRUARY 13, 1986

Adopted 2/14/86 (p. 319)

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1 Section 1. NEW SECTION. 535.14 OPEN-END CREDIT, CREDIT
2 CARD, FINANCIAL SERVICES DISCLOSURE.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Financial institution" means as defined in section
6 535A.1.

7 b. "Financial service" means a checking account, savings
8 account, electronic funds transfer card, and credit card
9 services offered to a retailer.

10 c. "Credit card", "finance charge", and "open-end credit"
11 mean as defined in section 537.1301, except the terms shall
12 apply to both consumer and nonconsumer transactions.

13 2. A financial institution which accepts an application
14 for open-end credit from a person who resides in this state
15 shall annually disclose pursuant to this section the following
16 information for each type of open-end account granted:

17 a. The annual percentage rate charged on the open-end
18 credit account.

19 b. The amount of fee charged or assessed, if any, by the
20 person as a condition for granting or opening the open-end
21 credit account and the frequency the fee is assessed.

22 c. A description of when the finance charge begins to
23 accrue against charges made on the open-end credit account.

24 3. A person who accepts an application for a credit card
25 from a person who resides in this state shall annually
26 disclose the following information for each type of credit
27 card granted, unless the information is disclosed under
28 subsection 1:

29 a. The annual percentage rate charged on the credit card.

30 b. The amount of fee charged or assessed, if any, by the
31 person as a condition for issuing the credit card and the
32 frequency the fee is assessed.

33 c. A description of when the finance charge begins to
34 accrue against charges made on the credit card.

35 4. A financial institution shall disclose all of the

1 following information for each type of financial service
2 offered by the financial institution:

3 a. The fee charged, if any, and the frequency the fee is
4 to be levied including but not limited to the following types
5 of fees:

6 (1) Regular periodic fees.

7 (2) Transaction fees.

8 (3) Returned check fees.

9 (4) Stop payment fees.

10 (5) Start-up fees.

11 b. The conditions under which any fee disclosed is
12 imposed.

13 c. The procedures, if any, by which a person may have a
14 fee waived at the discretion of the financial institution.

15 d. Any discount program or special services offered or
16 available in conjunction with a financial service.

17 5. A person who is obligated to disclose information under
18 this section shall file a written report disclosing the
19 information with the treasurer of state by January 1 of each
20 year. If a person filing under this section makes any changes
21 subsequent to January 1 but prior to July 1 to any of the
22 information for which disclosure is required, the person shall
23 file an amended written report with the treasurer of state by
24 July 1 following the change.

25 6. The treasurer of state shall adopt rules pursuant to
26 chapter 17A to implement this section including, but not
27 limited to, both of the following:

28 a. Procedures for receiving the reports.

29 b. Procedures for publicizing and making the information
30 filed readily available to the public.

31 Sec. 2. NEW SECTION. 12.27 CREDIT AND FINANCIAL SERVICES
32 RULES.

33 The treasurer shall adopt rules to implement the filing of
34 information relating to open-end credit accounts, credit
35 cards, and financial services pursuant to section 535.14.

EXPLANATION

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2 This bill requires periodic reporting of certain specified
3 information relating to open-end credit and financial services
4 provided by a financial institution and credit cards issued by
5 any person issuing a card. The information is to be filed
6 annually with the treasurer of state by January 1. Amendments
7 to the information are due by July 1 of each year in which a
8 change was made prior to July 1. The treasurer is to develop
9 ways to assure the information is readily accessible to the
10 public.

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See Commerce 2/19 to Pass 3/26 (p. 904)

House File 2230

COMMERCE: Deluhery, Chair; Gronstal and Jensen

HOUSE FILE 2230
BY COMMITTEE ON SMALL BUSINESS
AND COMMERCE

(As Amended and Passed by the House February 14, 1986

Passed House, Date 2-14-86 (319) Passed Senate, Date 4-2-86 (p. 982)

Vote: Ayes 73 Nays 18 Vote: Ayes 43 Nays 4

Approved April 16, 1986 (p. 1533)

A BILL FOR

1 An Act relating to the disclosure of information regarding open-
2 end credit accounts, credit cards, and financial services.

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

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House Amendments _____

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1 Section 1. NEW SECTION. 535.14 OPEN-END CREDIT, CREDIT
2 CARD, FINANCIAL SERVICES DISCLOSURE.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Financial institution" means as defined in section
6 535A.1.

7 b. "Financial service" means a checking account, savings
8 account, electronic funds transfer card, and credit card
9 services offered to a retailer.

10 c. "Credit card", "finance charge", and "open-end credit"
11 mean as defined in section 537.1301.

12 2. A financial institution which accepts an application
13 for open-end credit from a person who resides in this state
14 shall annually disclose pursuant to this section the following
15 information for each type of open-end account granted:

16 a. The annual percentage rate charged on the open-end
17 credit account.

18 b. The amount of fee charged or assessed, if any, by the
19 person as a condition for granting or opening the open-end
20 credit account and the frequency the fee is assessed.

21 c. A description of when the finance charge begins to
22 accrue against charges made on the open-end credit account.

23 3. A person who accepts an application for a credit card
24 from a person who resides in this state shall annually
25 disclose the following information for each type of credit
26 card granted, unless the information is disclosed under
27 subsection 1:

28 a. The annual percentage rate charged on the credit card.

29 b. The amount of fee charged or assessed, if any, by the
30 person as a condition for issuing the credit card and the
31 frequency the fee is assessed.

32 c. A description of when the finance charge begins to
33 accrue against charges made on the credit card.

34 4. A financial institution shall disclose all of the
35 following information for each type of financial service

1 offered by the financial institution:

2 a. The fee charged, if any, and the frequency the fee is
3 to be levied including but not limited to the following types
4 of fees:

- 5 (1) Regular periodic fees.
- 6 (2) Transaction fees.
- 7 (3) Returned check fees.
- 8 (4) Stop payment fees.
- 9 (5) Start-up fees.

10 b. The conditions under which any fee disclosed is
11 imposed.

12 c. The procedures, if any, by which a person may have a
13 fee waived at the discretion of the financial institution.

14 d. Any discount program or special services offered or
15 available in conjunction with a financial service.

16 5. A person who is obligated to disclose information under
17 this section shall file a written report disclosing the
18 information with the treasurer of state by January 1 of each
19 year. If a person filing under this section makes any changes
20 subsequent to January 1 but prior to July 1 to any of the
21 information for which disclosure is required, the person shall
22 file an amended written report with the treasurer of state by
23 July 1 following the change.

24 6. The treasurer of state shall adopt rules pursuant to
25 chapter 17A to implement this section including, but not
26 limited to, both of the following:

- 27 a. Procedures for receiving the reports.
- 28 b. Procedures for publicizing and making the information
29 filed readily available to the public.

30 Sec. 2. NEW SECTION. 12.27 CREDIT AND FINANCIAL SERVICES
31 RULES.

32 The treasurer shall adopt rules to implement the filing of
33 information relating to open-end credit accounts, credit
34 cards, and financial services pursuant to section 535.14.

35

NEW
HF 2230

NSB 507
SMALL BUSINESS AND COMMERCE

Study Bill 507

Small Business and Commerce: Parker, Chair; Hummel and Swartz.

HOUSE FILE 2230
BY (PROPOSED SMALL BUSINESS
AND COMMERCE COMMITTEE BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the disclosure of information regarding credit
2 card fees.

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

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1 Section 1. NEW SECTION. 537.3213 FILING OF CREDIT CARD
2 RATES.

3 1. A person who issues a credit card to any person who
4 resides in this state shall file an annual report by March 1
5 of each year with the treasurer of state disclosing all of the
6 following information for each class of credit card issued to
7 a person who resides in this state:

8 a. The annual percentage rate charged on the credit card.

9 b. The amount of fee charged or assessed by the person as
10 a condition for issuing the credit card and the frequency that
11 the fee is assessed.

12 c. A description of when the finance charge begins to
13 accrue against charges made on the credit card.

14 2. A person filing a report pursuant to subsection 1,
15 shall file an amendment to the report disclosing any changes
16 to the information contained in the report within thirty days
17 of the change.

18 3. The treasurer of state shall adopt rules pursuant to
19 chapter 17A to implement this section including, but not
20 limited to, all of the following:

21 a. Procedures for receiving annual reports or amendments
22 to reports required by this section including, but not limited
23 to, a filing fee.

24 b. Procedures for publicizing and making the information
25 filed and collected readily available to the public.

26 Sec. 2. NEW SECTION. 12.27 CREDIT CARD RULES.

27 The treasurer shall adopt rules to implement the filing of
28 information relating to credit cards pursuant to section
29 537.3213.

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EXPLANATION

31 This bill requires a person who issues a credit card to any
32 person who resides in this state to file with the treasurer of
33 state an annual report and amendments to the report disclosing
34 the interest rate charged, any fee charged as a condition of
35 issuing the credit card, and a description of when the finance

1 charge begins to accrue against charges made on the credit
2 card. The treasurer shall adopt rules implementing the
3 section including filing fees and procedures for making the
4 collected information available.

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HOUSE FILE 2230

AN ACT

RELATING TO THE DISCLOSURE OF INFORMATION REGARDING OPEN-END CREDIT ACCOUNTS, CREDIT CARDS, AND FINANCIAL SERVICES.

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

Section 1. NEW SECTION. 535.14 OPEN-END CREDIT, CREDIT CARD, FINANCIAL SERVICES DISCLOSURE.

1. As used in this section, unless the context otherwise requires:

- a. "Financial institution" means as defined in section 535A.1.
- b. "Financial service" means a checking account, savings account, electronic funds transfer card, and credit card services offered to a retailer.
- c. "Credit card", "finance charge", and "open-end credit" mean as defined in section 537.1301.

2. A financial institution which accepts an application for open-end credit from a person who resides in this state shall annually disclose pursuant to this section the following information for each type of open-end account granted:

- a. The annual percentage rate charged on the open-end credit account.
- b. The amount of fee charged or assessed, if any, by the person as a condition for granting or opening the open-end credit account and the frequency the fee is assessed.
- c. A description of when the finance charge begins to accrue against charges made on the open-end credit account.

3. A person who accepts an application for a credit card from a person who resides in this state shall annually disclose the following information for each type of credit card granted, unless the information is disclosed under subsection 1:

- a. The annual percentage rate charged on the credit card.
- b. The amount of fee charged or assessed, if any, by the person as a condition for issuing the credit card and the frequency the fee is assessed.

c. A description of when the finance charge begins to accrue against charges made on the credit card.

4. A financial institution shall disclose all of the following information for each type of financial service offered by the financial institution:

a. The fee charged, if any, and the frequency the fee is to be levied including but not limited to the following types of fees:

- (1) Regular periodic fees.
- (2) Transaction fees.
- (3) Returned check fees.
- (4) Stop payment fees.
- (5) Start-up fees.

b. The conditions under which any fee disclosed is imposed.

c. The procedures, if any, by which a person may have a fee waived at the discretion of the financial institution.

d. Any discount program or special services offered or available in conjunction with a financial service.

5. A person who is obligated to disclose information under this section shall file a written report disclosing the information with the treasurer of state by January 1 of each year. If a person filing under this section makes any changes subsequent to January 1 but prior to July 1 to any of the information for which disclosure is required, the person shall file an amended written report with the treasurer of state by July 1 following the change.

6. The treasurer of state shall adopt rules pursuant to chapter 17A to implement this section including, but not limited to, both of the following:

- a. Procedures for receiving the reports.
- b. Procedures for publicizing and making the information filed readily available to the public.

Sec. 2. NEW SECTION. 12.27 CREDIT AND FINANCIAL SERVICES RULES.

The treasurer shall adopt rules to implement the filing of information relating to open-end credit accounts, credit cards, and financial services pursuant to section 535.14.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2230, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 16, 1986

TERRY E. BRANSTAD
Governor