

Sen. Conference 3/2 H. Res. 3/12 (p. 925)

FEB 19 1990

HOUSE FILE 2476
BY COMMITTEE ON JUDICIARY
AND LAW ENFORCEMENT

Place On Calendar

(SUCCESSOR TO HSB 621)

Passed House, Date 2/23/90 (p. 695) Passed Senate, Date 3/15/90 (p. 1113)
Vote: Ayes 97 Nays 0 Vote: Ayes 40 Nays 1
Approved April 27, 1990
-motion to reconsider (p. 1119)

A BILL FOR

1 An Act relating to unfair or discriminatory credit practices by
2 including familial status as an improper basis for
3 differential treatment in relation to a consumer credit
4 transaction, an extension of credit by a state chartered
5 financial institution, or the offer of credit life or health
6 and accident insurance.

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

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HF 2476

1 Section 1. Section 601A.10, Code 1989, is amended to read
2 as follows:

3 601A.10 UNFAIR CREDIT PRACTICES.

4 It shall be an unfair or discriminatory practice for any:

5 1. Creditor to refuse to enter into a consumer credit
6 transaction or impose finance charges or other terms or
7 conditions more onerous than those regularly extended by that
8 creditor to consumers of similar economic backgrounds because
9 of age, color, creed, national origin, race, religion, marital
10 status, sex, or physical disability, or familial status.

11 2. Person authorized or licensed to do business in this
12 state pursuant to chapter 524, 533, 534, 536, or 536A to
13 refuse to loan or extend credit or to impose terms or
14 conditions more onerous than those regularly extended to
15 persons of similar economic backgrounds because of age, color,
16 creed, national origin, race, religion, marital status, sex,
17 or physical disability, or familial status.

18 3. Creditor to refuse to offer credit life or health and
19 accident insurance because of color, creed, national origin,
20 race, religion, marital status, age, physical disability or
21 sex, or familial status. Refusal by a creditor to offer
22 credit life or health and accident insurance based upon the
23 age or physical disability of the consumer shall not be an
24 unfair or discriminatory practice if such denial is based
25 solely upon bona fide underwriting considerations not
26 prohibited by title XX.

27 The provisions of this section shall not be construed by
28 negative implication or otherwise to narrow or restrict any
29 other provisions of this chapter.

30 EXPLANATION

31 This bill extends the same protections in connection with
32 consumer credit transactions, extensions of credit by state
33 chartered financial institutions, and offers of credit life or
34 health and accident insurance, to familial status as currently
35 granted age, color, creed, national origin, race, religion,

1 marital status, sex, and physical disability. The bill would
2 make it an unfair or discriminatory practice for a creditor to
3 refuse to enter into a consumer credit transaction or impose
4 more onerous terms or conditions upon the loan because of the
5 consumer's familial status. Similarly, loans by financial
6 institutions or sale of credit life or health and accident
7 insurance would also be subject to the prohibition upon
8 discrimination based upon familial status. A person aggrieved
9 by an unfair or discriminatory credit practice may seek relief
10 through the civil rights commission, and may receive any or
11 all of the remedies permitted, including the award of damages.

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HSB 621

Judiciary & Law Enforcement

HOUSE FILE 2476
BY (PROPOSED CIVIL RIGHTS
COMMISSION BILL)

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

A BILL FOR

1 An Act relating to unfair or discriminatory credit practices by
2 including familial status as an improper basis for
3 differential treatment in relation to a consumer credit
4 transaction, an extension of credit by a state chartered
5 financial institution, or the offer of credit life or health
6 and accident insurance.

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

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2 as follows:

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4 It shall be an unfair or discriminatory practice for any:

5 1. Creditor to refuse to enter into a consumer credit
6 transaction or impose finance charges or other terms or
7 conditions more onerous than those regularly extended by that
8 creditor to consumers of similar economic backgrounds because
9 of age, color, creed, national origin, race, religion, marital
10 status, sex, or physical disability, or familial status.

11 2. Person authorized or licensed to do business in this
12 state pursuant to chapter 524, 533, 534, 536, or 536A to
13 refuse to loan or extend credit or to impose terms or
14 conditions more onerous than those regularly extended to
15 persons of similar economic backgrounds because of age, color,
16 creed, national origin, race, religion, marital status, sex,
17 or physical disability, or familial status.

18 3. Creditor to refuse to offer credit life or health and
19 accident insurance because of color, creed, national origin,
20 race, religion, marital status, age, physical disability or
21 sex, or familial status. Refusal by a creditor to offer
22 credit life or health and accident insurance based upon the
23 age or physical disability of the consumer shall not be an
24 unfair or discriminatory practice if such denial is based
25 solely upon bona fide underwriting considerations not
26 prohibited by title XX.

27 The provisions of this section shall not be construed by
28 negative implication or otherwise to narrow or restrict any
29 other provisions of this chapter.

30

EXPLANATION

31 This bill extends the same protections in connection with
32 consumer credit transactions, extensions of credit by state
33 chartered financial institutions, and offers of credit life or
34 health and accident insurance, to familial status as currently
35 granted age, color, creed, national origin, race, religion,

1 marital status, sex, and physical disability. The bill would
2 make it an unfair or discriminatory practice for a creditor to
3 refuse to enter into a consumer credit transaction or impose
4 more onerous terms or conditions upon the loan because of the
5 consumer's familial status. Similarly, loans by financial
6 institutions or sale of credit life or health and accident
7 insurance would also be subject to the prohibition upon
8 discrimination based upon familial status. A person aggrieved
9 by an unfair or discriminatory credit practice may seek relief
10 through the civil rights commission, and may receive any or
11 all of the remedies permitted, including the award of damages.

12 BACKGROUND STATEMENT

13 SUBMITTED BY THE AGENCY

14 The changes proposed by this bill are needed to support the
15 protection given for familial status in the area of housing.
16 Legislation was enacted during the last session to include
17 coverage for familial status in the area of housing, Iowa Code
18 section 601A.8, and there is a need to include coverage for
19 familial status in the area of unfair credit practices,
20 section 601A.10, as credit is closely connected to fair and
21 equal access to housing.

22 The impact of the proposed change upon the Iowa Civil
23 Rights Commission would bring Iowa Code section 601A.10,
24 Unfair Credit Practices, into conformance with federal fair
25 housing law.

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HOUSE FILE 2476

AN ACT

RELATING TO UNFAIR OR DISCRIMINATORY CREDIT PRACTICES BY INCLUDING FAMILIAL STATUS AS AN IMPROPER BASIS FOR DIFFERENTIAL TREATMENT IN RELATION TO A CONSUMER CREDIT TRANSACTION, AN EXTENSION OF CREDIT BY A STATE CHARTERED FINANCIAL INSTITUTION, OR THE OFFER OF CREDIT LIFE OR HEALTH AND ACCIDENT INSURANCE.

unfair or discriminatory practice if such denial is based solely upon bona fide underwriting considerations not prohibited by title XX.

The provisions of this section shall not be construed by negative implication or otherwise to narrow or restrict any other provisions of this chapter.

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

DONALD D. AVENSON
Speaker of the House

Section 1. Section 601A.10, Code 1989, is amended to read as follows:

601A.10 UNFAIR CREDIT PRACTICES.

It shall be an unfair or discriminatory practice for any:

JO ANN ZIMMERMAN
President of the Senate

1. Creditor to refuse to enter into a consumer credit transaction or impose finance charges or other terms or conditions more onerous than those regularly extended by that creditor to consumers of similar economic backgrounds because of age, color, creed, national origin, race, religion, marital status, sex, or physical disability, or familial status.

I hereby certify that this bill originated in the House and is known as House File 2476, Seventy-third General Assembly.

2. Person authorized or licensed to do business in this state pursuant to chapter 524, 533, 534, 536, or 536A to refuse to loan or extend credit or to impose terms or conditions more onerous than those regularly extended to persons of similar economic backgrounds because of age, color, creed, national origin, race, religion, marital status, sex, or physical disability, or familial status.

JOSEPH O'HERN
Chief Clerk of the House

3. Creditor to refuse to offer credit life or health and accident insurance because of color, creed, national origin, race, religion, marital status, age, physical disability or sex, or familial status. Refusal by a creditor to offer credit life or health and accident insurance based upon the age or physical disability of the consumer shall not be an

Approved April 27, 1990

TERRY E. BRANSTAD
Governor