

MAR 7 1989

HOUSE FILE 496

BY RENKEN

SMALL BUSINESS DEVELOPMENT
DO PASS 3-17-89 (p.841)

(COMPANION TO LSB 2304S

BY TAYLOR

Passed House, Date 3-28-89 (p.1043) Passed Senate, Date 4-11-89 (p.1316)
Vote: Ayes 95 Nays 0 Vote: Ayes 48 Nays 0
Approved May 22, 1989

A BILL FOR

1 An Act relating to credit services organizations, by requiring
2 their registration, imposing regulation, and providing
3 penalties.

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

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(For Complete Text see Senate File 331)

HOUSE FILE 496

H-3591

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1 Amend House File 496 as follows:
2 1. Page 7, by striking lines 18 through 20 and
3 inserting the following:
4 "An action shall not be brought under section
5 533C.9 after ten years after the date of the execution
6 of the contract for services to which the action
7 relates.
8 An action shall not be brought under section
9 533C.12 after four years after the date of the
10 execution of the contract for services to which the
11 action relates."

By HIBBARD of Madison
RENKEN of Grundy

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H-3591 FILED MARCH 23, 1989

Adopted 3-28-89 (p.1043)

1 the time they are signed.

2 Sec. 8. NEW SECTION. 533C.8 WAIVER.

3 1. A credit services organization shall not attempt to
4 cause a buyer to waive a right under this chapter.

5 2. A waiver by a buyer of any part of this chapter is
6 void.

7 Sec. 9. NEW SECTION. 533C.9 ACTION FOR DAMAGES.

8 1. A buyer injured by a violation of this chapter may
9 bring an action for recovery of damages. The damages awarded
10 shall not be less than the amount paid by the buyer to the
11 credit services organization, plus reasonable attorney's fees
12 and court costs.

13 2. The buyer may also be awarded punitive damages.

14 Sec. 10. NEW SECTION. 533C.10 INJUNCTION.

15 1. The attorney general or a buyer may bring an action in
16 a district court to enjoin a violation of this chapter.

17 Sec. 11. NEW SECTION. 533C.11 STATUTE OF LIMITATIONS.

18 An action shall not be brought under section 533C.9 or
19 533C.12 after four years after the date of the execution of
20 the contract for services to which the action relates.

21 Sec. 12. NEW SECTION. 533C.12 CRIMINAL PENALTY.

22 A person who violates a provision of this chapter commits a
23 serious misdemeanor.

24 Sec. 13. NEW SECTION. 533C.13 BURDEN OF PROVING
25 EXEMPTION.

26 In an action under this chapter, the burden of proving an
27 exemption under section 533C.2, subsection 2, is upon the
28 person claiming the exemption.

29 Sec. 14. NEW SECTION. 533C.14 REMEDIES CUMULATIVE.

30 The remedies provided by this chapter are in addition to
31 other remedies provided by law.

32 EXPLANATION

33 This bill requires registration of credit services
34 organizations and imposes regulation upon their activities. A
35 credit services organization is defined as a person offering

Sen. Commerce
DO PASS 4-5-89 (p. 197)

HOUSE FILE 496
BY RENKEN

(COMPANION TO LSB 2304S
BY TAYLOR

(As Amended and Passed by the House March 28, 1989)

Passed House, Date 4-25-89 (p. 185) Passed Senate, Date 4-11-89 (p. 1316)
Vote: Ayes 96 Nays 0 Vote: Ayes 48 Nays 0
Approved May 22, 1989

A BILL FOR

1 An Act relating to credit services organizations, by requiring
2 their registration, imposing regulation, and providing
3 penalties.

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

5
6 House Amendments _____

7 HOUSE FILE 496

8 S-3608

9 1 Amend House File 496, as amended, passed, and
10 2 reprinted by the House, as follows:

11 3 1. Page 2, lines 26 and 27, by striking the words
12 4 "from a surety company authorized to do business in
13 5 this state".

14 6 2. Page 3, by inserting after line 16, the
15 7 following:

16 8 "_____. If a bond is obtained, the bond shall be
17 9 executed by a surety company authorized to do business
18 10 in this state, and the bond shall be continuous in
19 11 nature until cancelled by the surety with not less
12 12 than thirty days' written notice to both the credit
13 13 services organization and to the secretary of state.
14 14 The notice shall indicate the surety's intent to
15 15 cancel the bond effective on a date at least thirty
16 16 days after the date of the notice."

17 3. By renumbering as necessary.

By TOM MANN, Jr.

S-3608 FILED APRIL 10, 1989

Adopted 4-11-89 (p. 1316)

1 Section 1. NEW SECTION. 533C.1 DEFINITIONS.

2 In this chapter, unless the context otherwise requires:

3 1. "Buyer" means an individual who is solicited to
4 purchase or who purchases the services of a credit services
5 organization.

6 2. "Consumer reporting agency" has the meaning assigned by
7 section 603(f), Fair Credit Reporting Act, 15 U.S.C. §
8 1681a(f) as amended through January 1, 1989.

9 3. "Extension of credit" means the right to defer payment
10 of debt or to incur debt and defer its payment offered or
11 granted primarily for personal, family, or household purposes.

12 Sec. 2. NEW SECTION. 533C.2 CREDIT SERVICES ORGANIZATION
13 DEFINED -- EXEMPTIONS.

14 1. A credit services organization is a person who, with
15 respect to the extension of credit by others and in return for
16 the payment of money or other valuable consideration,
17 provides, or represents that the person can or will provide,
18 any of the following services:

19 a. Improving a buyer's credit record, history, or rating.

20 b. Obtaining an extension of credit for a buyer.

21 c. Providing advice or assistance to a buyer with regard
22 to paragraph "a" or "b".

23 2. The following are exempt from this chapter:

24 a. A person authorized to make loans or extensions of
25 credit under the laws of this state or the United States who
26 is subject to regulation and supervision of this state or the
27 United States, or a lender approved by the United States
28 secretary of housing and urban development for participation
29 in a mortgage insurance program under the National Housing
30 Act, 12 U.S.C. § 1701 et seq.

31 b. A bank or savings and loan association whose deposits
32 or accounts are eligible for insurance by the federal deposit
33 insurance corporation or the federal savings and loan
34 insurance corporation, or successor deposit insurance
35 entities, or a subsidiary of a bank or savings and loan

1 association.

2 c. A credit union doing business in this state.

3 d. A nonprofit organization exempt from taxation under
4 section 501(c)(3) of the Internal Revenue Code, as defined in
5 section 422.3.

6 e. A person licensed as a real estate broker or
7 salesperson, under section 117.20, acting within the course
8 and scope of that license.

9 f. A person licensed to practice as an attorney in this
10 state acting within the course and scope of the person's
11 practice as an attorney.

12 g. A broker-dealer registered with the securities and
13 exchange commission or the commodity futures trading
14 commission acting within the course and scope of the
15 regulations of the commission that person is registered with.

16 h. A consumer reporting agency.

17 Sec. 3. NEW SECTION. 533C.3 PROHIBITED CONDUCT.

18 A credit services organization, a salesperson, agent, or
19 representative of a credit services organization, or an
20 independent contractor who sells or attempts to sell the
21 services of a credit services organization shall not:

407, 308-22 1. Charge a buyer or receive from a buyer money or other
23 valuable consideration before completing performance of all
24 services the credit services organization has agreed to
25 perform for the buyer, unless the credit services organization
26 has obtained a bond in accordance with section 533C.4 from a
27 surety company authorized to do business in this state or
28 established and maintained a surety account at a federally
29 insured bank or savings and loan association located in this
30 state in the amount required by section 533C.4, subsection 5.

31 2. Charge a buyer or receive from a buyer money or other
32 valuable consideration solely for referral of the buyer to a
33 retail seller who will or may extend credit to the buyer if
34 the credit that is or will be extended to the buyer is
35 substantially the same as that available to the general

1 public.

2 3. Make or use a false or misleading representation in the
3 offer or sale of the services of a credit services
4 organization.

5 4. Engage, directly or indirectly, in a fraudulent or
6 deceptive act, practice, or course of business in connection
7 with the offer or sale of the services of a credit services
8 organization.

9 Sec. 4. NEW SECTION. 533C.4 BOND -- SURETY ACCOUNT.

10 1. This section applies to a credit services organization
11 required by section 533C.3, subsection 1, to obtain a surety
12 bond or establish a surety account.

13 2. If a bond is obtained, a copy of it shall be filed with
14 the secretary of state. If a surety account is established,
15 notification of the depository, the trustee, and the account
16 number shall be filed with the secretary of state.

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17 3. The bond or surety account required must be in favor of
18 the state for the benefit of any person who is damaged by a
19 violation of this chapter.

20 4. A person claiming against the bond or surety account
21 for a violation of this chapter may maintain an action at law
22 against the credit services organization and against the
23 surety or trustee. The surety or trustee is liable only for
24 damages awarded under section 533C.9, subsection 1, and not
25 the punitive damages permitted under that section. The
26 aggregate liability of the surety or trustee to all persons
27 damaged by a credit services organization's violation of this
28 chapter shall not exceed the amount of the surety account or
29 bond.

30 5. The bond or the surety account shall be in an amount of
31 at least ten thousand dollars.

32 6. A depository holding money in a surety account under
33 this chapter shall not convey money in the account to the
34 credit services organization that established the account or a
35 representative of the credit services organization unless the

1 credit services organization or representative presents a
2 statement issued by the secretary of state indicating that
3 section 533C.5, subsection 6, has been satisfied in relation
4 to the account. The secretary of state may conduct
5 investigations and require submission of information as
6 necessary to enforce this subsection.

7 Sec. 5. NEW SECTION. 533C.5 REGISTRATION.

8 1. A credit services organization shall file a
9 registration statement with the secretary of state before
10 conducting business in this state. The registration statement
11 must contain both of the following:

12 a. The name and address of the credit services
13 organization.

14 b. The name and address of any person who directly or
15 indirectly owns or controls ten percent or more of the
16 outstanding shares of stock in the credit services
17 organization.

18 2. The registration statement must also contain one of the
19 following:

20 a. A full and complete disclosure of any litigation or
21 unresolved complaint filed with a governmental authority of
22 this state relating to the operation of the credit services
23 organization.

24 b. A notarized statement that there has been no litigation
25 or unresolved complaint filed with a governmental authority of
26 this state relating to the operation of the credit services
27 organization.

28 3. The credit services organization shall update the
29 statement not later than the ninetieth day after the date on
30 which a change in the information required in the statement
31 occurs.

32 4. A credit services organization registering under this
33 section shall maintain a copy of the registration statement in
34 the files of the credit services organization. The credit
35 services organization shall allow a buyer to inspect the

1 registration statement on request.

2 5. The secretary of state may charge each credit services
3 organization that files a registration statement with the
4 secretary of state a reasonable fee not to exceed one hundred
5 dollars to cover the cost of filing. The secretary of state
6 shall not require a credit services organization to provide
7 information other than that provided in the registration
8 statement.

9 6. The bond or surety account shall be maintained until
10 two years after the date that the credit services organization
11 ceases to operate.

12 Sec. 6. NEW SECTION. 533C.6 DISCLOSURE STATEMENT.

13 1. Before executing a contract or agreement with a buyer,
14 or receiving money or other valuable consideration, a credit
15 services organization shall provide the buyer with a statement
16 in writing, containing all of the following:

17 a. A complete and detailed description of the services to
18 be performed by the credit services organization for the buyer
19 and the total cost of the services.

20 b. A statement explaining the buyer's rights to proceed
21 against the bond or surety account required by section 533C.4.

22 c. The name and address of the surety company which issued
23 the bond, or the name and address of the depository and the
24 trustee, and the account number of the surety account.

25 2. The credit services organization shall maintain on file
26 for a period of two years after the date the statement is
27 provided, an exact copy of the statement, signed by the buyer,
28 acknowledging receipt of the statement.

29 Sec. 7. NEW SECTION. 533C.7 FORM IN TERMS OF CONTRACT.

30 1. A contract between the buyer and a credit services
31 organization for the purchase of the services of the credit
32 services organization must be in writing, dated, signed by the
33 buyer, and must include all of the following:

34 a. A conspicuous statement in boldface type, in immediate
35 proximity to the space reserved for the signature of the

1 buyer, as follows: "You, the buyer, may cancel this contract
2 at any time before midnight of the third day after the date of
3 the transaction. See the attached notice of cancellation form
4 for an explanation of this right."

5 b. The terms and conditions of payment, including the
6 total of all payments to be made by the buyer, whether to the
7 credit services organization or to another person.

8 c. A full and detailed description of the services to be
9 performed by the credit services organization for the buyer,
10 including all guarantees and all promises of full or partial
11 refunds, and the estimated date by which the services are to
12 be performed or estimated length of time for performing the
13 services.

14 d. The address of the credit services organization's
15 principal place of business and the name and address of its
16 agent in the state authorized to receive service of process.

17 2. The contract must have attached two easily detachable
18 copies of the notice of cancellation. The notice must be in
19 boldface type and in the following form:

20 "Notice of Cancellation
21 You may cancel this contract, without any penalty or
22 obligations, within three days after the date the contract is
23 signed.

24 If you cancel, any payment made by you under this contract
25 will be returned within ten days after the date of receipt by
26 the seller of your cancellation notice.

27 To cancel this contract, mail or deliver a signed, dated
28 copy of this cancellation notice or other written notice to:
29 (name of seller) at (address of seller) (place of business)
30 not later than midnight (date).

31 (date)

32 (Purchaser's signature)

33 3. The credit services organization shall give to the
34 buyer a copy of the completed contract and all other documents
35 the credit services organization requires the buyer to sign at

1 the time they are signed.

2 Sec. 8. NEW SECTION. 533C.8 WAIVER.

3 1. A credit services organization shall not attempt to
4 cause a buyer to waive a right under this chapter.

5 2. A waiver by a buyer of any part of this chapter is
6 void.

7 Sec. 9. NEW SECTION. 533C.9 ACTION FOR DAMAGES.

8 1. A buyer injured by a violation of this chapter may
9 bring an action for recovery of damages. The damages awarded
10 shall not be less than the amount paid by the buyer to the
11 credit services organization, plus reasonable attorney's fees
12 and court costs.

13 2. The buyer may also be awarded punitive damages.

14 Sec. 10. NEW SECTION. 533C.10 INJUNCTION.

15 1. The attorney general or a buyer may bring an action in
16 a district court to enjoin a violation of this chapter.

17 Sec. 11. NEW SECTION. 533C.11 STATUTE OF LIMITATIONS.

18 An action shall not be brought under section 533C.9 after
19 ten years after the date of the execution of the contract for
20 services to which the action relates.

21 An action shall not be brought under section 533C.12 after
22 four years after the date of the execution of the contract for
23 services to which the action relates.

24 Sec. 12. NEW SECTION. 533C.12 CRIMINAL PENALTY.

25 A person who violates a provision of this chapter commits a
26 serious misdemeanor.

27 Sec. 13. NEW SECTION. 533C.13 BURDEN OF PROVING
28 EXEMPTION.

29 In an action under this chapter, the burden of proving an
30 exemption under section 533C.2, subsection 2, is upon the
31 person claiming the exemption.

32 Sec. 14. NEW SECTION. 533C.14 REMEDIES CUMULATIVE.

33 The remedies provided by this chapter are in addition to
34 other remedies provided by law.

35

SENATE AMENDMENT TO HOUSE FILE 496

H-4007

1 Amend House File 496, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, lines 26 and 27, by striking the words
4 "from a surety company authorized to do business in
5 this state".

6 2. Page 3, by inserting after line 16, the
7 following:

8 "_____. If a bond is obtained, the bond shall be
9 executed by a surety company authorized to do business
10 in this state, and the bond shall be continuous in
11 nature until cancelled by the surety with not less
12 than thirty days' written notice to both the credit
13 services organization and to the secretary of state.
14 The notice shall indicate the surety's intent to
15 cancel the bond effective on a date at least thirty
16 days after the date of the notice."

17 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-4007 FILED APRIL 13, 1989

House. Concurred. 4-25-89 (p.1804)

HOUSE FILE 496

AN ACT

RELATING TO CREDIT SERVICES ORGANIZATIONS, BY REQUIRING THEIR
REGISTRATION, IMPOSING REGULATION, AND PROVIDING PENALTIES.

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

Section 1. NEW SECTION. 533C.1 DEFINITIONS.

In this chapter, unless the context otherwise requires:

1. "Buyer" means an individual who is solicited to purchase or who purchases the services of a credit services organization.
2. "Consumer reporting agency" has the meaning assigned by section 603(f), Fair Credit Reporting Act, 15 U.S.C. § 1681a(f) as amended through January 1, 1989.
3. "Extension of credit" means the right to defer payment of debt or to incur debt and defer its payment offered or granted primarily for personal, family, or household purposes.

Sec. 2. NEW SECTION. 533C.2 CREDIT SERVICES ORGANIZATION DEFINED -- EXEMPTIONS.

1. A credit services organization is a person who, with respect to the extension of credit by others and in return for the payment of money or other valuable consideration, provides, or represents that the person can or will provide, any of the following services:
 - a. Improving a buyer's credit record, history, or rating.
 - b. Obtaining an extension of credit for a buyer.
 - c. Providing advice or assistance to a buyer with regard to paragraph "a" or "b".
2. The following are exempt from this chapter:
 - a. A person authorized to make loans or extensions of credit under the laws of this state or the United States who is subject to regulation and supervision of this state or the United States, or a lender approved by the United States secretary of housing and urban development for participation

in a mortgage insurance program under the National Housing Act, 12 U.S.C. § 1701 et seq.

b. A bank or savings and loan association whose deposits or accounts are eligible for insurance by the federal deposit insurance corporation or the federal savings and loan insurance corporation, or successor deposit insurance entities, or a subsidiary of a bank or savings and loan association.

c. A credit union doing business in this state.

d. A nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, as defined in section 422.3.

e. A person licensed as a real estate broker or salesperson, under section 117.20, acting within the course and scope of that license.

f. A person licensed to practice as an attorney in this state acting within the course and scope of the person's practice as an attorney.

g. A broker-dealer registered with the securities and exchange commission or the commodity futures trading commission acting within the course and scope of the regulations of the commission that person is registered with.

h. A consumer reporting agency.

Sec. 3. NEW SECTION. 533C.3 PROHIBITED CONDUCT.

A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not:

1. Charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the credit services organization has agreed to perform for the buyer, unless the credit services organization has obtained a bond in accordance with section 533C.4 or established and maintained a surety account at a federally insured bank or savings and loan association located in this state in the amount required by section 533C.4, subsection 5.

2. Charge a buyer or receive from a buyer money or other valuable consideration solely for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is or will be extended to the buyer is substantially the same as that available to the general public.

3. Make or use a false or misleading representation in the offer or sale of the services of a credit services organization.

4. Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization.

Sec. 4. NEW SECTION. 533C.4 BOND -- SURETY ACCOUNT.

1. This section applies to a credit services organization required by section 533C.3, subsection 1, to obtain a surety bond or establish a surety account.

2. If a bond is obtained, a copy of it shall be filed with the secretary of state. If a surety account is established, notification of the depository, the trustee, and the account number shall be filed with the secretary of state.

3. If a bond is obtained, the bond shall be executed by a surety company authorized to do business in this state, and the bond shall be continuous in nature until cancelled by the surety with not less than thirty days' written notice to both the credit services organization and to the secretary of state. The notice shall indicate the surety's intent to cancel the bond effective on a date at least thirty days after the date of the notice.

4. The bond or surety account required must be in favor of the state for the benefit of any person who is damaged by a violation of this chapter.

5. A person claiming against the bond or surety account for a violation of this chapter may maintain an action at law against the credit services organization and against the surety or trustee. The surety or trustee is liable only for

damages awarded under section 533C.9, subsection 1, and not the punitive damages permitted under that section. The aggregate liability of the surety or trustee to all persons damaged by a credit services organization's violation of this chapter shall not exceed the amount of the surety account or bond.

6. The bond or the surety account shall be in an amount of at least ten thousand dollars.

7. A depository holding money in a surety account under this chapter shall not convey money in the account to the credit services organization that established the account or a representative of the credit services organization unless the credit services organization or representative presents a statement issued by the secretary of state indicating that section 533C.5, subsection 6, has been satisfied in relation to the account. The secretary of state may conduct investigations and require submission of information as necessary to enforce this subsection.

Sec. 5. NEW SECTION. 533C.5 REGISTRATION.

1. A credit services organization shall file a registration statement with the secretary of state before conducting business in this state. The registration statement must contain both of the following:

a. The name and address of the credit services organization.

b. The name and address of any person who directly or indirectly owns or controls ten percent or more of the outstanding shares of stock in the credit services organization.

2. The registration statement must also contain one of the following:

a. A full and complete disclosure of any litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

b. A notarized statement that there has been no litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

3. The credit services organization shall update the statement not later than the ninetieth day after the date on which a change in the information required in the statement occurs.

4. A credit services organization registering under this section shall maintain a copy of the registration statement in the files of the credit services organization. The credit services organization shall allow a buyer to inspect the registration statement on request.

5. The secretary of state may charge each credit services organization that files a registration statement with the secretary of state a reasonable fee not to exceed one hundred dollars to cover the cost of filing. The secretary of state shall not require a credit services organization to provide information other than that provided in the registration statement.

6. The bond or surety account shall be maintained until two years after the date that the credit services organization ceases to operate.

Sec. 6. NEW SECTION. 533C.6 DISCLOSURE STATEMENT.

1. Before executing a contract or agreement with a buyer, or receiving money or other valuable consideration, a credit services organization shall provide the buyer with a statement in writing, containing all of the following:

a. A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total cost of the services.

b. A statement explaining the buyer's rights to proceed against the bond or surety account required by section 533C.4.

c. The name and address of the surety company which issued the bond, or the name and address of the depository and the trustee, and the account number of the surety account.

2. The credit services organization shall maintain on file for a period of two years after the date the statement is provided, an exact copy of the statement, signed by the buyer, acknowledging receipt of the statement.

Sec. 7. NEW SECTION. 533C.7 FORM IN TERMS OF CONTRACT.

1. A contract between the buyer and a credit services organization for the purchase of the services of the credit services organization must be in writing, dated, signed by the buyer, and must include all of the following:

a. A conspicuous statement in boldface type, in immediate proximity to the space reserved for the signature of the buyer, as follows: "You, the buyer, may cancel this contract at any time before midnight of the third day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right."

b. The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to another person.

c. A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or estimated length of time for performing the services.

d. The address of the credit services organization's principal place of business and the name and address of its agent in the state authorized to receive service of process.

2. The contract must have attached two easily detachable copies of the notice of cancellation. The notice must be in boldface type and in the following form:

"Notice of Cancellation

You may cancel this contract, without any penalty or obligations, within three days after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days after the date of receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice or other written notice to: (name of seller) at (address of seller) (place of business) not later than midnight (date).
(date)
(Purchaser's signature)

3. The credit services organization shall give to the buyer a copy of the completed contract and all other documents the credit services organization requires the buyer to sign at the time they are signed.

Sec. 8. NEW SECTION. 533C.8 WAIVER.

1. A credit services organization shall not attempt to cause a buyer to waive a right under this chapter.

2. A waiver by a buyer of any part of this chapter is void.

Sec. 9. NEW SECTION. 533C.9 ACTION FOR DAMAGES.

1. A buyer injured by a violation of this chapter may bring an action for recovery of damages. The damages awarded shall not be less than the amount paid by the buyer to the credit services organization, plus reasonable attorney's fees and court costs.

2. The buyer may also be awarded punitive damages.

Sec. 10. NEW SECTION. 533C.10 INJUNCTION.

1. The attorney general or a buyer may bring an action in a district court to enjoin a violation of this chapter.

Sec. 11. NEW SECTION. 533C.11 STATUTE OF LIMITATIONS.

An action shall not be brought under section 533C.9 after ten years after the date of the execution of the contract for services to which the action relates.

An action shall not be brought under section 533C.12 after four years after the date of the execution of the contract for services to which the action relates.

Sec. 12. NEW SECTION. 533C.12 CRIMINAL PENALTY.

A person who violates a provision of this chapter commits a serious misdemeanor.

Sec. 13. NEW SECTION. 533C.13 BURDEN OF PROVING EXEMPTION.

In an action under this chapter, the burden of proving an exemption under section 533C.2, subsection 2, is upon the person claiming the exemption.

Sec. 14. NEW SECTION. 533C.14 REMEDIES CUMULATIVE.

The remedies provided by this chapter are in addition to other remedies provided by law.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 496, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 22, 1989

TERRY E. BRANSTAD
Governor