

2/28/96 Do Pass
3/25/96 Referred to Commerce

FEB 15 1996

COMMERCE - REGULATION

HOUSE FILE **2236**
BY LARSON

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

A BILL FOR

1 An Act relating to the requirement of notifying a consumer of a
2 change in the terms of an open-end credit agreement.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 2236

H-5499

1 Amend House File 2236 as follows:

2 1. Page 1, line 8, by inserting after the word
3 "charge" the following: ", so long as the creditor
4 discloses such change to the consumer within sixty
5 days after the effective date of the change".

By KREIMAN of Davis

H-5499 FILED MARCH 20, 1996

HF 2236

1 Section 1. Section 537.3205, Code 1995, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 6. Notwithstanding subsections 1 through
4 5, a creditor is not required to deliver or mail to the
5 consumer a written disclosure of a change in the terms of an
6 open-end credit account if the change involves a decrease in
7 the rate of the finance charge, a decrease in a delinquency
8 charge, or a decrease in an over-limit charge.

9 EXPLANATION

10 This bill provides that a creditor is not required to
11 deliver or mail to the consumer a written disclosure of a
12 change in the terms of an open-end credit account if the
13 change involves a decrease in the rate of the finance charge,
14 a decrease in a delinquency charge, or a decrease in an over-
15 limit charge. Section 537.3205 currently provides that a
16 creditor may make a change in the terms of an open-end credit
17 account applying to any balance incurred after the effective
18 date of the change only if the creditor delivers or mails to
19 the consumer a written disclosure of the change at least 60
20 days before the effective date of the change, whether or not
21 such change is authorized by a prior agreement.

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