

Reprinted

MAR 21 1995
Place On Calendar

HOUSE FILE 511
BY COMMITTEE ON COMMERCE AND
REGULATION

(SUCCESSOR TO HSB 285)

Passed House, Date (P.1707) 4-19-95 Passed Senate, Date 4/8/96 (P.1260)
Vote: Ayes 64 Nays 34 Vote: Ayes 37 Nays 13
Approved April 16, 1996

A BILL FOR

1 An Act relating to open-end credit pursuant to a credit card,
2 including the permissible over-limit or delinquency charges,
3 the offering of credit unemployment insurance, and the time
4 requirements for making certain payments.

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

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HF 511

1 Section 1. Section 537.2501, subsection 1, paragraph f,
2 unnumbered paragraph 1, Code 1995, is amended to read as
3 follows:

4 With respect to open-end credit pursuant to a credit card
5 issued by the creditor which entitles the cardholder to
6 purchase or lease goods or services from at least one hundred
7 persons not related to the card issuer, the parties may
8 contract for an over-limit charge not to exceed ~~ten~~ fifteen
9 dollars if the balance of the account exceeds the credit limit
10 established pursuant to the agreement. The over-limit charge
11 under this paragraph shall not be assessed again in a
12 subsequent billing cycle unless in a subsequent billing cycle
13 the account balance has been reduced below the credit limit.

14 Sec. 2. Section 537.2501, subsection 2, paragraph b,
15 subparagraph (2), Code 1995, is amended to read as follows:

16 (2) The insurance shall be sold separately and shall be
17 separately priced from any other insurance offered or sold at
18 the same time. The credit unemployment insurance need not be
19 sold separately or separately priced from other insurance
20 offered if it is included as part of a mailed insurance
21 offering by a credit card issuer to its credit cardholders.
22 ~~However, credit unemployment insurance shall not be sold in~~
23 ~~conjunction with an application for a credit card or for the~~
24 ~~renewal of a credit card.~~

25 Sec. 3. Section 537.2502, subsection 4, Code 1995, is
26 amended to read as follows:

27 4. With respect to open-end credit obtained pursuant to a
28 credit card issued by the creditor which entitles the
29 cardholder to purchase or lease goods or services from at
30 least one hundred persons not related to the card issuer, the
31 parties may contract for a delinquency charge on any payment
32 not paid in full ~~within ten days after its~~ when due date, as
33 originally scheduled or as deferred, in an amount not to
34 exceed ~~ten~~ fifteen dollars.

35 Sec. 4. Section 537.2502, subsection 5, Code 1995, is

1 amended to read as follows:

2 5. A delinquency charge under subsection 4 may be
3 collected only once on a payment however long it remains in
4 default. ~~No~~ A delinquency charge may shall not be collected
5 with respect to a deferred payment unless the payment is not
6 paid in full ~~within-ten-days-after~~ on or before its deferred
7 due date. A delinquency charge may be collected at the time
8 it accrues or at any time afterward.

9 Sec. 5. Section 537.2502, subsection 6, Code 1995, is
10 amended to read as follows:

11 6. ~~No~~ A delinquency charge may shall not be collected
12 under subsection 4 on a payment which is paid in full ~~within~~
13 ~~ten-days-after~~ on or before its scheduled or deferred due date
14 even though an earlier maturing payment or a delinquency or
15 deferred charge on an earlier payment has not been paid in
16 full. For purposes of this subsection, payments are applied
17 first to amounts due for the current billing cycle and then to
18 delinquent payments.

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EXPLANATION

20 This bill amends provisions of the consumer credit code
21 relating to open-end credit obtained pursuant to a credit card
22 issued by a creditor which entitle the cardholder to purchase
23 or lease goods or services from at least 100 persons not
24 related to the card issuer.

25 Section 537.2501 is amended to provide that the creditor
26 and the cardholder may contract for an over-limit charge not
27 to exceed \$15. Currently, that charge is limited to \$10. The
28 section is also amended to strike language which prohibits
29 credit unemployment insurance from being sold in conjunction
30 with an application for, or renewal of, a credit card.

31 Section 537.2502 is amended to provide that the creditor
32 and the cardholder may contract for a delinquency charge on
33 any payment which is not paid in full when due in an amount
34 not to exceed \$15. Currently, payment must be made within 10
35 days after the due date and the charge is limited to \$10.

1 Section 537.2502 is also amended to provide that a delinquency
2 charge with respect to a deferred payment shall not be
3 collected unless the payment is not paid in full on or before
4 its deferred due date. Currently, such payment must be made
5 within 10 days after its deferred due date to avoid the
6 delinquency charge.

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HOUSE FILE 511

H-3431

1 Amend House File 511 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. NEW SECTION. 527.3A PROHIBITION ON
5 ISSUING OR PROVIDING AN ACCESS DEVICE TO AN INDIVIDUAL
6 UNDER THE AGE OF EIGHTEEN.

7 A person shall not provide or issue an access
8 device to an individual knowing or having reasonable
9 cause to believe that the individual is under the age
10 of eighteen. A person who provides or issues access
11 devices in this state shall request proof of the
12 individual's age on any application form used, or in
13 some other appropriate manner as approved by the
14 administrator if an application form is not used.
15 However, the prohibition of this section does not
16 apply if the person obtains prior to providing or
17 issuing the access device, the written consent of the
18 parent, guardian, or custodian of such individual.

19 Sec. NEW SECTION. 536C.8A PROHIBITION ON
20 ISSUING A CREDIT CARD TO AN INDIVIDUAL UNDER THE AGE
21 OF EIGHTEEN.

22 A person shall not issue a credit card to an
23 individual knowing or having reasonable cause to
24 believe that the individual is under the age of
25 eighteen. A person who issues credit cards in this
26 state shall request proof of the individual's age on
27 any application form used, or in some other
28 appropriate manner as approved by the administrator if
29 an application form is not used. However, the
30 prohibition of this section does not apply if the
31 person obtains prior to issuing the credit card, the
32 written consent of the parent, guardian, or custodian
33 of such individual."

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34 2. Page 2, by inserting after line 18 the
35 following:

36 "Sec. NEW SECTION. 537.9101 PROHIBITION ON
37 ISSUING A CREDIT CARD TO AN INDIVIDUAL UNDER THE AGE
38 OF EIGHTEEN.

39 A person shall not issue a credit card to an
40 individual knowing or having reasonable cause to
41 believe that the individual is under the age of
42 eighteen. A person who issues credit cards in this
43 state shall request proof of the individual's age on
44 any application form used, or in some other
45 appropriate manner as approved by the administrator if
46 an application form is not used. However, the
47 prohibition of this section does not apply if the
48 person obtains prior to issuing the credit card, the
49 written consent of the parent, guardian, or custodian
50 of such individual."

B

H-3431

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H-3431

Page 2

1 3. By renumbering as necessary.

By MURPHY of Dubuque

H-3431 FILED MARCH 23, 1995

A. Withdrawn 4-19-95

B. Adopted 4-19-95

(p. 1707)

HOUSE FILE 511

H-3658

1 Amend House File 511 as follows:

- A 2 1. Page 1, by striking lines 1 through 13.
- B 3 2. Page 1, by striking lines 14 through 24.
- 4 3. Page 1, by striking lines 25 through 34.
- C 5 4. By striking page 1, line 35, through page 2,
6 line 8.
- D 7 5. Page 2, by striking lines 9 through 18.
- 8 6. By renumbering as necessary.

By HOLVECK of Polk
BAKER of Polk

H-3658 FILED MARCH 31, 1995

A - C Lost 4/19/95 (P. 1706)
D. Withdrawn HOUSE FILE 511
H-3968

1 Amend House File 511 as follows:

- 2 1. Page 1, line 8, by striking the words "ten
- 3 fifteen" and inserting the following: "ten".
- 4 2. Page 1, line 10, by inserting after the word
- 5 "agreement." the following: "The parties may contract
- 6 for an additional over-limit charge not to exceed five
- 7 dollars if the balance of the account continues to
- 8 exceed the credit limit in the billing cycle
- 9 immediately subsequent to the billing cycle during
- 10 which the credit limit is first exceeded."
- 11 3. Page 1, line 10, by striking the word "charge"
- 12 and inserting the following: "charge charges".
- 13 4. Page 1, by striking line 32 and inserting the
- 14 following: "not paid in full within ten days after
- 15 its due date, as".
- 16 5. Page 1, by striking line 34 and inserting the
- 17 following: "exceed ten dollars. The parties may
- 18 contract for an additional delinquency charge not to
- 19 exceed five dollars if any payment not paid in full
- 20 remains unpaid in full in the billing cycle
- 21 immediately subsequent to the billing cycle during
- 22 which the initial payment is due."
- 23 6. Page 2, by striking line 6 and inserting the
- 24 following: "paid in full within ten days after its
- 25 deferred".
- 26 7. Page 2, lines 12 and 13, by striking the words
- 27 "within-ten-days-after on or before" and inserting the
- 28 following; "within ten days after".

By MCCOY of Polk

H-3968 FILED APRIL 18, 1995

Withdrawn
4-19-95
(P. 1704)

4/15/95
S. 1-31-96 amend/Do Pass
W/55031

HOUSE FILE 511
BY COMMITTEE ON COMMERCE AND
REGULATION

(SUCCESSOR TO HSB 285)

(As Amended and Passed by the House April 19, 1995)

Re-Passed House, Date 4/19/96(p.1499) Passed Senate, Date 4/8/96(p.1260)
Vote: Ayes 62 Nays 33 Vote: Ayes 37 Nays 13
Approved April 16, 1996

A BILL FOR

1 An Act relating to open-end credit pursuant to a credit card,
2 including the permissible over-limit or delinquency charges,
3 the offering of credit unemployment insurance, and the time
4 requirements for making certain payments.

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

House Amendments _____

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2 unnumbered paragraph 1, Code 1995, is amended to read as
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5 issued by the creditor which entitles the cardholder to
6 purchase or lease goods or services from at least one hundred
7 persons not related to the card issuer, the parties may
8 contract for an over-limit charge not to exceed ~~ten~~ fifteen
9 dollars if the balance of the account exceeds the credit limit
10 established pursuant to the agreement. The over-limit charge
11 under this paragraph shall not be assessed again in a
12 subsequent billing cycle unless in a subsequent billing cycle
13 the account balance has been reduced below the credit limit.

14 Sec. 2. Section 537.2501, subsection 2, paragraph b,
15 subparagraph (2), Code 1995, is amended to read as follows:

16 (2) The insurance shall be sold separately and shall be
17 separately priced from any other insurance offered or sold at
18 the same time. The credit unemployment insurance need not be
19 sold separately or separately priced from other insurance
20 offered if it is included as part of a mailed insurance
21 offering by a credit card issuer to its credit cardholders.
22 ~~However, credit unemployment insurance shall not be sold in~~
23 ~~conjunction with an application for a credit card or for the~~
24 ~~renewal of a credit card.~~

25 Sec. 3. Section 537.2502, subsection 4, Code 1995, is
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27 4. With respect to open-end credit obtained pursuant to a
28 credit card issued by the creditor which entitles the
29 cardholder to purchase or lease goods or services from at
30 least one hundred persons not related to the card issuer, the
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32 not paid in full ~~within ten days after its~~ when due date, as
33 originally scheduled or as deferred, in an amount not to
34 exceed ~~ten~~ fifteen dollars.

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1 amended to read as follows:

2 5. A delinquency charge under subsection 4 may be
3 collected only once on a payment however long it remains in
4 default. ~~No~~ A delinquency charge may shall not be collected
5 with respect to a deferred payment unless the payment is not
6 paid in full ~~within-ten-days-after~~ on or before its deferred
7 due date. A delinquency charge may be collected at the time
8 it accrues or at any time afterward.

9 Sec. 5. Section 537.2502, subsection 6, Code 1995, is
10 amended to read as follows:

11 6. ~~No~~ A delinquency charge may shall not be collected
12 under subsection 4 on a payment which is paid in full ~~within~~
13 ~~ten-days-after~~ on or before its scheduled or deferred due date
14 even though an earlier maturing payment or a delinquency or
15 deferred charge on an earlier payment has not been paid in
16 full. For purposes of this subsection, payments are applied
17 first to amounts due for the current billing cycle and then to
18 delinquent payments.

19 Sec. 6. NEW SECTION. 537.9101 PROHIBITION ON ISSUING A
20 CREDIT CARD TO AN INDIVIDUAL UNDER THE AGE OF EIGHTEEN.

21 A person shall not issue a credit card to an individual
22 knowing or having reasonable cause to believe that the
23 individual is under the age of eighteen. A person who issues
24 credit cards in this state shall request proof of the
25 individual's age on any application form used, or in some
26 other appropriate manner as approved by the administrator if
27 an application form is not used. However, the prohibition of
28 this section does not apply if the person obtains prior to
29 issuing the credit card, the written consent of the parent,
30 guardian, or custodian of such individual.

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HOUSE FILE 511

S-5087

1 Amend House File 511 as amended, passed, and
 2 reprinted by the House, as follows:

3 1. Page 1, line 8, by striking the words "not to
 4 exceed ten" and inserting the following: "not-to
 5 exceed-ten up to".

6 2. Page 1, by striking line 32 and inserting the
 7 following: "not paid in full within ten days after
 8 its due date, as".

9 3. Page 1, lines 33 and 34, by striking the words
 10 "not to exceed ten" and inserting the following: "not
 11 to-exceed-ten up to".

12 4. Page 2, by striking line 6 and inserting the
 13 following: "paid in full within ten days after its
 14 deferred".

15 5. Page 2, lines 12 and 13, by striking the words
 16 "~~within-ten-days-after on or before~~" and inserting the
 17 following: "within ten days after".

By WILLIAM PALMER

S-5087 FILED FEBRUARY 20, 1996

A-Adopted B-Lect 4/8/96 (p.1260)

HOUSE FILE 511

S-5031

1 Amend House File 511, as amended, passed, and
 2 reprinted by the House as follows:

3 1. Page 1, line 20, by striking the words "a
 4 mailed" and inserting the following: "a-mailed an".

5 2. Page 2, by striking lines 19 through 30.

By COMMITTEE ON COMMERCE

PATRICK J. DELUHERY, Chairperson

S-5031 FILED JANUARY 31, 1996

Adopted 4/8/96 (p.1259)

HOUSE FILE 511

H-5892

- 1 Amend the Senate amendment, H-5879, to House File
2 511, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by striking lines 3 through 5 and
5 inserting the following:
6 "____. Page 1, by striking lines 8 through 10 and
7 inserting the following: "contract for an over-limit
8 charge not to exceed ten dollars if the balance of the
9 account exceeds the credit limit established pursuant
10 to the agreement. The parties may contract for an
11 additional over-limit charge not to exceed five
12 dollars if the balance of the account continues to
13 exceed the credit limit in the billing cycle
14 immediately subsequent to the billing cycle during
15 which the credit limit is first exceeded. The over-
16 limit charge charges"."
17 2. Page 1, by inserting after line 7 the
18 following:
19 "____. Page 1, by striking line 32 and inserting
20 the following: "not paid in full within ten days
21 after its due date, as"."
22 3. Page 1, by striking lines 8 through 10 and
23 inserting the following:
24 "____. Page 1, by striking line 34 and inserting
25 the following: "exceed ten dollars. The parties may
26 contract for an additional delinquency charge not to
27 exceed five dollars if any payment not paid in full
28 remains unpaid in full in the billing cycle
29 immediately subsequent to the billing cycle during
30 which the initial payment is due.""
31 4. Page 1, by inserting before line 11 the
32 following:
33 "____. Page 2, by striking line 6 and inserting
34 the following: "paid in full within ten days after
35 its deferred".
36 _____. Page 2, lines 12 and 13, by striking the
37 words "within-ten-days-after on or before" and
38 inserting the following: "within ten days after"."
39 5. By renumbering as necessary.

By McCOY of Polk

H-5892 FILED APRIL 9, 1996

Last (p. 1495)

HOUSE FILE 511

H-5893

- 1 Amend the Senate amendment, H-5879, to House File
2 511, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by striking line 11.
5 2. By renumbering as necessary.

By MURPHY of Dubuque

H-5893 FILED APRIL 9, 1996

Last (p. 1498)

SENATE AMENDMENT TO HOUSE FILE 511

H-5879

- 1 Amend House File 511, as amended, passed, and
- 2 reprinted by the House as follows:
- 3 1. Page 1, line 8, by striking the words "not to
- 4 exceed ten" and inserting the following: "not-to
- 5 exceed-ten up to".
- 6 2. Page 1, line 20, by striking the words "a
- 7 mailed" and inserting the following: "a-mailed an".
- 8 3. Page 1, lines 33 and 34, by striking the words
- 9 "not to exceed ten" and inserting the following: "not
- 10 to-exceed-ten up to".
- 11 4. Page 2, by striking lines 19 through 30.
- 12 5. By renumbering, relettering, or redesignating
- 13 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-5879 FILED APRIL 9, 1996

House concurred (p. 1499)

HOUSE FILE 511

H-5891

- 1 Amend the Senate amendment, H-5879, to House File
- 2 511, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, by inserting after line 7 the
- 5 following:
- 6 "____. Page 1, by striking line 32 and inserting
- 7 the following: "not paid in full within ten days
- 8 after its due date, as"."
- 9 2. Page 1, by inserting after line 10 the
- 10 following:
- 11 "____. Page 2, by striking line 6 and inserting
- 12 the following: "paid in full within ten days after
- 13 its deferred".
- 14 _____. Page 2, lines 12 and 13, by striking the
- 15 words "~~within-ten-days-after~~ on or before" and
- 16 inserting the following: "within ten days after"."
- 17 3. By renumbering as necessary.

By McCOY of Polk

H-5891 FILED APRIL 9, 1996

Lost (p. 1497)

HOUSE FILE 511

H-5898

- 1 Amend the Senate amendment, H-5879, to House File
- 2 511, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, line 11, by striking the figure "30."
- 5 and inserting the following: "30, and inserting the
- 6 following:
- 7 "Sec. _____. NEW SECTION. 537.9101 EVIDENCE OF AGE
- 8 ON CREDIT CARD APPLICATION.
- 9 A person who issues credit cards in this state
- 10 shall require an individual to provide the
- 11 individual's date of birth on an application form used
- 12 by such person.""

By MURPHY of Dubuque

H-5898 FILED APRIL 9, 1996

Lost (p. 1498)

HOUSE FILE 511

H-5897

- 1 Amend the Senate amendment, H-5879, to House File
- 2 511, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, line 4, by inserting after the word
- 5 "ten" the following: "fifteen".
- 6 2. Page 1, lines 4 and 5, by striking the words
- 7 "~~to-exceed-ten up to~~" and inserting the following:
- 8 "up to exceed ten".
- 9 3. Page 1, line 9, by inserting after the word
- 10 "ten" the following: "fifteen".
- 11 4. Page 1, line 10, by striking the words "~~to~~
- 12 ~~exceed-ten up to~~" and inserting the following: "up to
- 13 ~~exceed ten~~".

By HOLVECK of Polk

H-5897 FILED APRIL 9, 1996

WITHDRAWN (p. 1498)

HSB 285

COMMERCE - REGULATION

Nutt, Chair
Sukup
Holveck

Succeeded by

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON

COMMERCE AND REGULATION

BILL BY CHAIRPERSON METCALF)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to open-end credit pursuant to a credit card,
2 including the permissible over-limit or delinquency charges,
3 the offering of credit unemployment insurance, and the time
4 requirements for making certain payments.

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

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1 Section 1. Section 537.2501, subsection 1, paragraph f,
2 unnumbered paragraph 1, Code 1995, is amended to read as
3 follows:

4 With respect to open-end credit pursuant to a credit card
5 issued by the creditor which entitles the cardholder to
6 purchase or lease goods or services from at least one hundred
7 persons not related to the card issuer, the parties may
8 contract for an over-limit charge not to exceed ~~ten~~ fifteen
9 dollars if the balance of the account exceeds the credit limit
10 established pursuant to the agreement. The over-limit charge
11 under this paragraph shall not be assessed again in a
12 subsequent billing cycle unless in a subsequent billing cycle
13 the account balance has been reduced below the credit limit.

14 Sec. 2. Section 537.2501, subsection 2, paragraph b,
15 subparagraph (2), Code 1995, is amended to read as follows:

16 (2) The insurance shall be sold separately and shall be
17 separately priced from any other insurance offered or sold at
18 the same time. The credit unemployment insurance need not be
19 sold separately or separately priced from other insurance
20 offered if it is included as part of a mailed insurance
21 offering by a credit card issuer to its credit cardholders.
22 ~~However, credit unemployment insurance shall not be sold in~~
23 ~~conjunction with an application for a credit card or for the~~
24 ~~renewal of a credit card.~~

25 Sec. 3. Section 537.2502, subsection 4, Code 1995, is
26 amended to read as follows:

27 4. With respect to open-end credit obtained pursuant to a
28 credit card issued by the creditor which entitles the
29 cardholder to purchase or lease goods or services from at
30 least one hundred persons not related to the card issuer, the
31 parties may contract for a delinquency charge on any payment
32 not paid in full ~~within ten days after its~~ when due date, as
33 originally scheduled or as deferred, in an amount not to
34 exceed ~~ten~~ fifteen dollars.

35 Sec. 4. Section 537.2502, subsection 5, Code 1995, is

1 amended to read as follows:

2 5. A delinquency charge under subsection 4 may be
3 collected only once on a payment however long it remains in
4 default. ~~No A delinquency charge may~~ shall not be collected
5 with respect to a deferred payment unless the payment is not
6 paid in full ~~within-ten-days-after~~ on or before its deferred
7 due date. A delinquency charge may be collected at the time
8 it accrues or at any time afterward.

9 Sec. 5. Section 537.2502, subsection 6, Code 1995, is
10 amended to read as follows:

11 6. ~~No A delinquency charge may~~ shall not be collected
12 under subsection 4 on a payment which is paid in full ~~within~~
13 ~~ten-days-after~~ on or before its scheduled or deferred due date
14 even though an earlier maturing payment or a delinquency or
15 deferred charge on an earlier payment has not been paid in
16 full. For purposes of this subsection, payments are applied
17 first to amounts due for the current billing cycle and then to
18 delinquent payments.

19 EXPLANATION

20 This bill amends provisions of the consumer credit code
21 relating to open-end credit obtained pursuant to a credit card
22 issued by a creditor which entitle the cardholder to purchase
23 or lease goods or services from at least 100 persons not
24 related to the card issuer.

25 Section 537.2501 is amended to provide that the creditor
26 and the cardholder may contract for an over-limit charge not
27 to exceed \$15. Currently, that charge is limited to \$10. The
28 section is also amended to strike language which prohibits
29 credit unemployment insurance from being sold in conjunction
30 with an application for, or renewal of, a credit card.

31 Section 537.2502 is amended to provide that the creditor
32 and the cardholder may contract for a delinquency charge on
33 any payment which is not paid in full when due in an amount
34 not to exceed \$15. Currently, payment must be made within 10
35 days after the due date and the charge is limited to \$10.

1 Section 537.2502 is also amended to provide that a delinquency
2 charge with respect to a deferred payment shall not be
3 collected unless the payment is not paid in full on or before
4 its deferred due date. Currently, such payment must be made
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HOUSE FILE 511

AN ACT

RELATING TO OPEN-END CREDIT PURSUANT TO A CREDIT CARD,
INCLUDING THE PERMISSIBLE OVER-LIMIT OR DELINQUENCY CHARGES,
THE OFFERING OF CREDIT UNEMPLOYMENT INSURANCE, AND THE TIME
REQUIREMENTS FOR MAKING CERTAIN PAYMENTS.

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

Section 1. Section 537.2501, subsection 1, paragraph f, unnumbered paragraph 1, Code 1995, is amended to read as follows:

With respect to open-end credit pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for an over-limit charge ~~not-to-exceed-ten~~ up to fifteen dollars if the balance of the account exceeds the credit limit established pursuant to the agreement. The over-limit charge under this paragraph shall not be assessed again in a subsequent billing cycle unless in a subsequent billing cycle the account balance has been reduced below the credit limit.

Sec. 2. Section 537.2501, subsection 2, paragraph b, subparagraph (2), Code 1995, is amended to read as follows:

(2) The insurance shall be sold separately and shall be separately priced from any other insurance offered or sold at the same time. The credit unemployment insurance need not be sold separately or separately priced from other insurance offered if it is included as part of a ~~mailed~~ an insurance offering by a credit card issuer to its credit cardholders. ~~However, credit-unemployment-insurance-shall-not-be-sold-in-conjunction-with-an-application-for-a-credit-card-or-for-the-renewal-of-a-credit-card.~~

Sec. 3. Section 537.2502, subsection 4, Code 1995, is amended to read as follows:

4. With respect to open-end credit obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for a delinquency charge on any payment not paid in full ~~within-ten-days-after-its~~ when due date, as originally scheduled or as deferred, in an amount ~~not-to-exceed-ten~~ up to fifteen dollars.

Sec. 4. Section 537.2502, subsection 5, Code 1995, is amended to read as follows:

5. A delinquency charge under subsection 4 may be collected only once on a payment however long it remains in default. ~~No~~ A delinquency charge ~~may~~ shall not be collected with respect to a deferred payment unless the payment is not paid in full ~~within-ten-days-after~~ on or before its deferred due date. A delinquency charge may be collected at the time it accrues or at any time afterward.

Sec. 5. Section 537.2502, subsection 6, Code 1995, is amended to read as follows:

6. ~~No~~ A delinquency charge ~~may~~ shall not be collected under subsection 4 on a payment which is paid in full ~~within ten-days-after~~ on or before its scheduled or deferred due date even though an earlier maturing payment or a delinquency or deferred charge on an earlier payment has not been paid in

full. For purposes of this subsection, payments are applied first to amounts due for the current billing cycle and then to delinquent payments.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 511, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 16, 1996

TERRY E. BRANSTAD
Governor