

SENATE FILE **2282**  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2122)

Passed Senate, (P. 606) Date 3/5/96 Passed House, (P. 1012) Date 3/27/96  
Vote: Ayes 48 Nays 0 Vote: Ayes 95 Nays 0  
Approved April 4, 1996

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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S.F. 2282

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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Deluhery  
Bartz  
Husak

SSB-2122  
Commerce

Succeeded By

SENATE FILE SF/HF 2282

BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY CHAIR-  
PERSON DELUHERY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2282, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 4, 1996

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2282

AN ACT

RELATING TO THE REQUIREMENT OF NOTIFYING A CONSUMER OF A CHANGE  
IN THE TERMS OF AN OPEN-END CREDIT AGREEMENT.

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

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

NEW SUBSECTION. 6. Notwithstanding subsections 1 through 5, a creditor is not required to deliver or mail to the consumer a written disclosure of a change in the terms of an open-end credit account if the change involves a decrease in