

*Substituted for  
HF 279  
4-6-95  
(p. 1364)*

SENATE FILE 341  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 210)

Passed Senate, Date <sup>p. 793</sup> 3/22/95 Passed House, Date 4/12/95 (p. 1489)  
Vote: Ayes 49 Nays 0 Vote: Ayes 93 Nays 0  
Approved April 27, 1995

A BILL FOR

1 An Act relating to delinquency charges on credit cards used to  
2 purchase or lease goods or services from less than one hundred  
3 persons not related to the card issuer.

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

S.F. 341

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1 Section 1. Section 537.2502, Code 1995, is amended by  
2 adding the following new subsection:

3 NEW SUBSECTION. 8. With respect to open-end credit  
4 obtained pursuant to a credit card issued by the creditor  
5 which entitles the cardholder to purchase or lease goods or  
6 services from less than one hundred persons not related to the  
7 card issuer, the parties may contract for a delinquency charge  
8 on any payment not paid in full within thirty days after its  
9 due date, as originally scheduled or as deferred, in an amount  
10 not to exceed ten dollars. A delinquency charge shall not be  
11 collected more than once on any one payment, regardless of the  
12 length of time the payment remains delinquent.

13 EXPLANATION

14 This bill provides that the parties to an open-end credit  
15 arrangement involving credit cards issued by the creditor  
16 which entitles the cardholder to purchase or lease goods or  
17 services from less than 100 persons who are not related to the  
18 card issuer may contract for a delinquency charge on any  
19 payment not paid in full within 30 days after its due date, as  
20 originally scheduled or as deferred, in an amount not to  
21 exceed \$10. The delinquency charge authorized under this sub-  
22 section shall only be collected once on any one payment,  
23 regardless of how long the payment remains delinquent.

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## SENATE FILE 341

H-3742

1 Amend Senate File 341, as passed by the Senate, as  
2 follows:

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

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

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

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

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

35 2. Page 1, by inserting after line 12 the  
36 following:

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

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

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Page 2

1 of such individual."

2 3. Title page, line 1, by inserting after the  
3 word "relating" the following: "to the issuance of  
4 credit cards to certain individuals and".

5 4. Renumber as necessary.

By MURPHY of Dubuque

H-3742 FILED APRIL 4, 1995

WITHDRAWN (p. 1489)

Redfern  
Bisignano  
Deluhery

SSB-210

Commerce

Succeeded By  
SF/HF 341  
SENATE FILE  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CHAIRPERSON DELUHERY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to delinquency charges on credit cards used to  
2 purchase or lease goods or services from less than one hundred  
3 persons not related to the card issuer.

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

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collected more than once on any one payment, regardless of the length of time the payment remains delinquent.

SENATE FILE 341

AN ACT

RELATING TO DELINQUENCY CHARGES ON CREDIT CARDS USED TO PURCHASE OR LEASE GOODS OR SERVICES FROM LESS THAN ONE HUNDRED PERSONS NOT RELATED TO THE CARD ISSUER.

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

Section 1. Section 537.2502, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 8. 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 less than 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 thirty days after its due date, as originally scheduled or as deferred, in an amount not to exceed ten dollars. A delinquency charge shall not be

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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 341, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 27, 1995

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TERRY E. BRANSTAD  
Governor