

FEB 10 1958

COMMERCE AND REGULATION

HOUSE FILE 2207
BY BRADLEY

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

A BILL FOR

1 An Act relating to consumer credit contracts and the permissible
2 fees and charges which may be assessed under such contracts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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Copy of

1 Section 1. Section 537.2501, subsection 1, Code 1997, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. i. With respect to a consumer loan, the
4 parties may contract for an application fee not to exceed
5 twenty-five dollars for the preparation of an application or
6 loan documentation, which may be retained by the lender
7 whether or not the credit is actually extended pursuant to the
8 application.

9 Sec. 2. Section 537.2502, subsection 4, Code Supplement
10 1997, is amended to read as follows:

11 4. With respect to open-end credit, the parties may
12 contract for a delinquency charge on any payment not paid in
13 full when due, as originally scheduled or as deferred, in an
14 amount up to ~~fifteen~~ twenty dollars.

15 EXPLANATION

16 This bill amends provisions relating to the permissible
17 fees and charges that may be collected by a creditor
18 associated with certain consumer credit transactions.

19 Code section 537.2501 is amended to provide that a creditor
20 may collect a \$25 application fee for a consumer loan which
21 may be kept by the creditor whether or not credit is extended
22 to the consumer pursuant to the application.

23 Code section 537.2502 is amended by increasing the
24 delinquency charge on any payment not paid in full when due
25 which may be collected with respect to open-end credit, from
26 \$15 to \$20.

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