

Substituted for By
SF 2188 4/3/98 (p1228)
FEB 10 1998

2/25/98 Do Pass
3/19/98 Unfinished Business
calendar

COMMERCE AND REGULATION

HOUSE FILE 2208

BY BRADLEY

WITHDRAWN 4/3/98

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to debt collection by excluding a financial
2 institution and its employees from the definition of debt
3 collector.

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

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HF 2208

1 Section 1. Section 537.7102, subsection 5, Code 1997, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. "Debt collector" does not
4 include a financial institution or its officers or employees
5 engaging directly, or indirectly through an affiliate of the
6 financial institution, in debt collection activities to
7 collect a debt due the financial institution.

8 Sec. 2. Section 537.7102, Code 1997, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 7. "Financial institution" means a state
11 bank as defined in section 524.103, subsection 33, a state
12 bank chartered under the laws of any other state, a national
13 banking association, a trust company, a federally chartered
14 savings and loan association or savings bank, an out-of-state
15 state chartered savings and loan association or savings bank,
16 a financial institution chartered by the federal home loan
17 bank board, an association incorporated or authorized to do
18 business under chapter 534, or a state or federally chartered
19 credit union.

20 EXPLANATION

21 This bill amends the definition section of the debt
22 collections practices Act contained in the consumer credit
23 code. The bill excludes a financial institution, its
24 employees, officers, and affiliates acting on behalf of the
25 financial institution, from the definition of "debt collector"
26 for purposes of the Act.

27 "Financial institution" is defined to include a state bank
28 as defined in Code section 524.103, subsection 33, a state
29 bank chartered under the laws of any other state, a national
30 banking association, a trust company, a federally chartered
31 savings and loan association or savings bank, an out-of-state
32 state chartered savings and loan association or savings bank,
33 a financial institution chartered by the federal home loan
34 bank board, an association incorporated or authorized to do
35 business under chapter 534, or a state or federally chartered



1 credit union.

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HOUSE FILE 2208

H-8268

1 Amend House File 2208 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 537.7103, subsection 4,
5 paragraph b, Code Supplement 1997, is amended to read
6 as follows:

7 b. The failure to disclose in the initial written
8 communication with the debtor and, in addition, if the
9 initial communication with the debtor is oral, in that
10 initial oral communication, that the debt collector is
11 attempting to collect a debt and that information
12 obtained will be used for that purpose, and the
13 failure to disclose in subsequent communications that
14 the communication is from a debt collector, except
15 that this paragraph does not apply to a either of the
16 following:

17 (1) A formal pleading made in connection with a
18 legal action.

19 (2) Communications issued directly by a state bank
20 as defined in section 524.103, a state bank chartered
21 under the laws of any other state, a national banking
22 association, a trust company, a federally chartered
23 savings and loan association or savings bank, an out-
24 of-state chartered savings and loan association or
25 savings bank, a financial institution chartered by the
26 federal home loan bank board, an association
27 incorporated or authorized to do business under
28 chapter 534, or a state or federally chartered credit
29 union, provided the communication does not deceptively
30 conceal its origin or its purpose."

31 2. Title page, line 1, by striking the words
32 "collection by excluding a financial" and inserting
33 the following: "collection."

34 3. Title page, by striking lines 2 and 3.

By BRADLEY of Clinton

H-8268 FILED MARCH 10, 1998

Adopted
4-3-98
(P. 1229)