

H. 3/4/98 Passed on file

REPRINTED

FILED FEB 11 1998

SENATE FILE 2188
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2097)

Passed Senate, ^(P. 524) Date 3/3/98 Passed House, ^(P. 1229) Date 4-3-98
Vote: Ayes 47 Nays 0 Vote: Ayes 94 Nays 1
Approved April 23, 1998

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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S.F. 2188

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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S-5104

1 Amend Senate File 2188 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 TOM FLYNN

S-5104 FILED MARCH 2, 1998

Adapted
3/3/98 (p. 524)

Substituted for HF 2208
4.3-98 (P. 1228)

SENATE FILE **2188**
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2097)

(AS AMENDED AND PASSED BY THE SENATE MARCH 3, 1998)

ALL New Language by the Senate

Passed Senate, Date 4. 9-98 ^(P. 1156.) * - Language Stricken by the Senate ^{P. 1229}
Vote: Ayes 49 Nays 1 Passed House, Date 4-3-98
Vote: Ayes 94 Nays 1
Approved April 23, 1998

A BILL FOR

* 1 An Act relating to debt collection.

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

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SENATE FILE 2188

H-8269

1 Amend Senate File 2188, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, by striking line 22 and inserting the
4 following: "a state or federally chartered credit
5 union, or a company or association organized or
6 authorized to do business under chapter 515, 518,
7 518A, or 520, or an officer, employee, or agent of
8 such company or association, provided the".

By BRADLEY of Clinton

H-8269 FILED MARCH 10, 1998

Adopted
4.3-98 (P. 1228)

HOUSE AMENDMENT TO
SENATE FILE 2188

S-5504

1 Amend Senate File 2188, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, by striking line 22 and inserting the
4 following: "a state or federally chartered credit
5 union, or a company or association organized or
6 authorized to do business under chapter 515, 518,
7 518A, or 520, or an officer, employee, or agent of
8 such company or association, provided the".

Senate Concurred 4/9/98 RECEIVED FROM THE HOUSE

S-5504 FILED APRIL 6, 1998 (P. 1155)

S.F. 2188

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

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

12 (1) A formal pleading made in connection with a legal
13 action.

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

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Flynn
Douglas
Rife

SSB-2097

Commerce

Succeeded By

SENATE FILE (SF/HF) 2188

BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON JENSEN)

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

A BILL FOR

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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
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15 state chartered savings and loan association or savings bank,
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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,
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34 bank board, an association incorporated or authorized to do
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1 credit union.

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SENATE FILE 2188

communication does not deceptively conceal its origin or its purpose.

AN ACT
RELATING TO DEBT COLLECTION.

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

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

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

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

(2) Communications issued directly by a state bank as defined in section 524.103, a state bank chartered under the laws of any other state, a national banking association, a trust company, a federally chartered savings and loan association or savings bank, an out-of-state chartered savings and loan association or savings bank, a financial institution chartered by the federal home loan bank board, an association incorporated or authorized to do business under chapter 534, a state or federally chartered credit union, or a company or association organized or authorized to do business under chapter 515, 518, 518A, or 520, or an officer, employee, or agent of such company or association, provided the

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2188, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 23, 1998

TERRY E. BRANSTAD
Governor