

Senate Study Bill 2068

Bill Text

PAG LIN

1 1 Section 1. Section [535.2](#), subsection 2, paragraph a,
1 2 unnumbered paragraph 1, Code 1997, is amended to read as
1 3 follows:
1 4

~~The following persons~~

- ~~A person~~ may agree in writing to pay
1 5 any rate of interest

~~,~~
- and

~~a~~

- ~~to the method of computing such~~
1 6 ~~interest.~~ A person

~~so~~

- agreeing in writing shall not plead or

1 7 interpose the claim or defense of usury in any action or
1 8 proceeding, and the person agreeing to receive the interest is
1 9 not subject to any penalty or forfeiture for agreeing to
1 10 receive or for receiving the interest. This subsection
1 11 applies to all of the following:

1 12 EXPLANATION

1 13 This bill amends Code section 535.2 and provides that the
1 14 method by which interest is computed may be agreed to in
1 15 writing by the following persons:

1 16 1. A person borrowing money for the purpose of acquiring
1 17 real property or refinancing a contract for deed.

1 18 2. A person borrowing money or obtaining credit in an
1 19 amount which exceeds \$25,000, exclusive of interest, for the
1 20 purpose of constructing improvements on real property, whether
1 21 or not the real property is owned by the person.

1 22 3. A vendee under a contract for deed to real property.

1 23 4. A domestic or foreign corporation, and a real estate
1 24 investment trust as defined in section 856 of the Internal
1 25 Revenue Code, and a person purchasing securities as defined in
1 26 Code chapter 502 on credit from a broker or dealer registered
1 27 or licensed under Code chapter 502 or under the Securities
1 28 Exchange Act of 1934, 15 U.S.C., ch. 78A, as amended.

1 29 5. A person borrowing money or obtaining credit for
1 30 business or agricultural purposes, or a person borrowing money
1 31 or obtaining credit in an amount which exceeds \$25,000 for
1 32 personal, family, or household purposes.

1 33 Currently, the individuals identified may agree in writing
1 34 to pay any rate of interest, but the section is silent as to
1 35 the manner in which such interest is computed.

2 1 LSB 4182SC 77

2 2 mj/cf/24