

Senate Study Bill 52

Bill Text

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1 1 Section 1. Section [537.2501](#), subsection 1, Code 1997, is
1 2 amended by adding the following new paragraph h and
1 3 relettering the existing paragraph h as paragraph i:
1 4 NEW PARAGRAPH. h. Annual account maintenance fees not to
1 5 exceed fifteen dollars, payable in advance, charged by a
1 6 credit union organized under chapter 533 or federal law, a
1 7 savings and loan association incorporated under chapter 534 or
1 8 federal law, a state bank incorporated under chapter 524 or a
1 9 national bank chartered pursuant to 12 U.S.C. } 21 et seq. for
1 10 the privilege of maintaining a demand deposit account with a
1 11 line of credit or home equity line of credit, as defined in
1 12 section 535.10, that may be accessed by the account holder.
1 13 The fees provided for in this paragraph shall not be
1 14 contracted for or collected on any account established to
1 15 provide the account holder with open-end credit pursuant to a
1 16 credit card where the card issuer receives an annual fee
1 17 pursuant to paragraph "d", or any account established to
1 18 provide the account holder with a home equity line of credit
1 19 where the lender receives an annual account maintenance fee on
1 20 such account pursuant to section 535.10, subsection 3. If a
1 21 financial institution charges an account maintenance fee
1 22 pursuant to this paragraph for the privilege of maintaining a
1 23 demand deposit account with a line of credit or a home equity
1 24 line of credit that may be accessed by an account holder, then
1 25 such accounts shall be made available to all customers of the
1 26 financial institution maintaining a demand deposit account
1 27 with the financial institution who qualify for extensions of
1 28 credit under the same standards and policies of the financial
1 29 institution with respect to the line of credit or home equity
1 30 line of credit as applied to that account holder.

1 31 Sec. 2. Section [537.2501](#), subsection 1, Code 1997, is
1 32 amended by adding the following new paragraph:
1 33 NEW PARAGRAPH. j. With respect to a consumer loan, a
1 34 commitment fee, closing fee, processing fee, or documentation
1 35 fee not exceeding fifteen dollars, agreed to in writing by the
2 1 creditor and the consumer. However, these charges do not
2 2 apply to open-end credit obtained pursuant to a credit card
2 3 which entitles the cardholder to purchase or lease goods or
2 4 services from at least one hundred persons not related to the
2 5 card issuer.

EXPLANATION

2 6
2 7 This bill amends Code section 537.2501 which relates to
2 8 additional charges which a creditor may contract for and
2 9 receive on certain consumer credit transactions.
2 10 The bill provides that account maintenance fees not to
2 11 exceed \$15 and charged on accounts at financial institutions
2 12 for "line of credit" or "overdraft loan" checking accounts are
2 13 additional charges permitted in consumer credit transactions.
2 14 The bill also provides that the fee provided for in this
2 15 section cannot be collected on an open-end credit account
2 16 pursuant to a credit card where the card issuer receives an
2 17 annual fee pursuant to Code section 537.2501, subsection 1,
2 18 paragraph "d", or a home equity line of credit where the
2 19 lender receives an annual account maintenance fee pursuant to
2 20 Code section 535.10.
2 21 The bill permits a creditor in a consumer loan transaction

2 22 to contract for and receive a commitment fee, closing fee,
2 23 processing fee, or documentation fee. The fee cannot exceed
2 24 \$15, must be agreed to in writing, and does not apply to open-
2 25 end credit obtained pursuant to a credit card which entitles
2 26 the cardholder to purchase or lease goods or services from at
2 27 least 100 persons not related to the card issuer.
2 28 LSB 1824SC 77
2 29 mj/jw/5