

FILED MAR 3 '03

252

SENATE FILE  
BY BOLKCOM

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to credit counseling services for delayed deposit  
2 services customers and making penalties applicable.

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

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OF 252  
COMMERCE

1 Section 1. NEW SECTION. 533D.17 DEBT MANAGEMENT SERVICE  
2 REFERRAL.

3 Upon a second transaction by a delayed deposit services  
4 customer, a licensee shall provide the delayed deposit  
5 services customer with information regarding debt management  
6 businesses in the customer's area, licensed pursuant to  
7 chapter 533A, where the customer may receive credit counseling  
8 services.

9 EXPLANATION

10 This bill adds a new section to Code chapter 533D,  
11 regarding delayed deposit services, more commonly known as  
12 payday loans. The bill requires the licensee to give the  
13 customer information regarding credit counseling services in  
14 the area upon the customer's second delayed deposit  
15 transaction. A person who violates the chapter may be ordered  
16 to pay a fine of not more than \$5,000, and the costs of  
17 investigations, pursuant to Code section 533D.14. Failure to  
18 pay a fine and the costs of investigation constitute a  
19 separate violation of that Code section. Either type of  
20 violation may support the suspension or revocation of a  
21 license granted under the chapter pursuant to Code section  
22 533D.12. In addition, the superintendent may also issue a  
23 cease and desist order, injunction, restraining order, or writ  
24 of mandamus under Code section 533D.13.

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