

FEB 21 2006
Place On Calendar

HOUSE FILE **2453**
BY COMMITTEE ON COMMERCE,
REGULATION AND LABOR

(SUCCESSOR TO HSB 578)

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

A BILL FOR

1 An Act relating to the prepayment of agricultural loans secured
2 by a real estate mortgage.

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

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

HF 2453

1 Section 1. Section 535.9, subsection 1, Code 2005, is
2 amended to read as follows:

3 1. As used in this section, "loan" means a loan of money
4 which is wholly or in part to be used for the purpose of
5 purchasing real property which is a single-family or a two-
6 family dwelling occupied or to be occupied by the borrower, or
7 which is payable over a term of five years or less for the
8 purpose of purchasing agricultural land. "Loan" includes the
9 refinancing of a contract of sale, and the refinancing of a
10 prior loan, whether or not the borrower also was the borrower
11 under the prior loan, and the assumption of a prior loan.

12 EXPLANATION

13 This bill relates to the prepayment of loans secured by
14 real estate mortgages for the purchase of agricultural land.
15 Code section 535.9 prohibits mortgage lenders from receiving
16 additional interest other than due under the terms of the loan
17 agreement and from imposing penalties for prepayment of a loan
18 earlier than required by the loan agreement. The bill
19 restricts the definition of "loan" with regard to the purchase
20 of agricultural land to agricultural loans payable over a term
21 of five years or less so that loans to purchase agricultural
22 land which are payable for a term of more than five years may
23 have additional interest or penalties imposed for prepayment
24 of the loan.

25
26
27
28
29
30
31
32
33
34
35

SANDS, CH
DIX
SHOMSHOR

SF 02453

HSB 578

COMMERCE, REGULATION & LABOR

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION AND
LABOR BILL BY CHAIRPERSON
JENKINS)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the prepayment of agricultural loans secured
2 by a real estate mortgage.

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

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

1 Section 1. Section 535.9, subsection 1, Code 2005, is
2 amended to read as follows:

3 1. As used in this section, "loan" means a loan of money
4 which is wholly or in part to be used for the purpose of
5 purchasing real property which is a single-family or a two-
6 family dwelling occupied or to be occupied by the borrower, or
7 which is payable over a term of five years or less for the
8 purpose of purchasing agricultural land. "Loan" includes the
9 refinancing of a contract of sale, and the refinancing of a
10 prior loan, whether or not the borrower also was the borrower
11 under the prior loan, and the assumption of a prior loan.

12 EXPLANATION

13 This bill relates to the prepayment of loans secured by
14 real estate mortgages for the purchase of agricultural land.
15 Code section 535.9 prohibits mortgage lenders from receiving
16 additional interest other than due under the terms of the loan
17 agreement and from imposing penalties for prepayment of a loan
18 earlier than required by the loan agreement. The bill
19 restricts the definition of "loan" with regard to the purchase
20 of agricultural land to agricultural loans payable over a term
21 of five years or less so that loans to purchase agricultural
22 land which are payable for a term of more than five years may
23 have additional interest or penalties imposed for prepayment
24 of the loan.

25

26

27

28

29

30

31

32

33

34

35