

FILED JAN 19 2006

SENATE FILE 2053 COMMERCE
BY BOLKCOM

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

A BILL FOR

1 An Act relating to advertising for delayed deposit services and
2 consumer loans secured by a motor vehicle and making penalties
3 applicable.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

COMMERCE
SF 2053

1 Section 1. NEW SECTION. 533D.10A ADVERTISING.

2 Any advertising through television, radio, or newspaper for
3 delayed deposit services transacted under this chapter shall
4 state the average interest rate as an annual percentage rate
5 charged by the licensee for a delayed deposit service.

6 Sec. 2. NEW SECTION. 537.3209A ADVERTISING FOR CONSUMER
7 LOANS SECURED BY A MOTOR VEHICLE.

8 Any advertising through television, radio, or newspaper for
9 a consumer loan secured by a certificate of title to a motor
10 vehicle used for a personal, family, or household purpose
11 shall state the average interest rate as an annual percentage
12 rate charged by the lender for the consumer loan.

13 Sec. 3. Section 537.5201, subsection 1, Code 2005, is
14 amended by adding the following new paragraph:

15 NEW PARAGRAPH. bb. Restrictions on advertising for
16 consumer loans secured by a motor vehicle under section
17 537.3209A.

18 EXPLANATION

19 This bill relates to advertising for delayed deposit
20 services or a consumer loan secured by a certificate of title
21 to a motor vehicle. The bill requires that advertising for
22 delayed deposit services include the average interest rate
23 charged by the lender for a delayed deposit service. The bill
24 requires that advertising for a consumer loan secured by a
25 motor vehicle include the interest rate charged by the lender
26 for a consumer loan secured by a motor vehicle. The average
27 interest rate must be displayed as an annual percentage rate.

28 The penalty for violating the advertising restriction
29 relating to delayed deposit services is the same as for any
30 other violation of Code chapter 533D, including suspension or
31 revocation of a license to provide delayed deposit services,
32 issuance of a cease and desist order by the superintendent of
33 banking, and issuance of an administrative penalty of not more
34 than \$5,000 for each violation.

35 The bill provides that a consumer injured by a violation of

1 the advertising restriction relating to consumer loans secured
2 by a motor vehicle has a cause of action against the lender
3 for actual damages and a penalty of not less than \$100 and not
4 more than \$1,000 per violation pursuant to Code section
5 537.5201.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35