

# House Study Bill 77

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CHAIRPERSON PETERSEN)

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

## A BILL FOR

1 An Act relating to the authority of creditors and credit unions  
2 in consumer credit or credit union transactions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1693HC 82  
5 rn/gg/14

PAG LIN

1 1 Section 1. Section 533.4, Code 2007, is amended by adding  
1 2 the following new subsections:  
1 3 NEW SUBSECTION. 29. Sell, to persons in the field of  
1 4 membership, negotiable checks, including traveler's checks;  
1 5 money orders; and other similar money transfer instruments  
1 6 including international and domestic electronic fund  
1 7 transfers.  
1 8 NEW SUBSECTION. 30. Cash checks and money orders, and  
1 9 receive international and domestic electronic fund transfers,  
1 10 for persons in the field of membership.  
1 11 Sec. 2. Section 537.2501, subsection 1, Code 2007, is  
1 12 amended by adding the following new paragraph:  
1 13 NEW PARAGRAPH. j. For a consumer loan where the amount  
1 14 financed does not exceed three thousand dollars and the term  
1 15 of the loan does not exceed twelve months, an additional  
1 16 charge may be made as an application fee not to exceed thirty  
1 17 dollars.

### EXPLANATION

1 18 This bill provides that a lender of a consumer loan may, in  
1 19 addition to other finance charges permitted in Code chapter  
1 20 537, charge an application fee not to exceed \$30 when the  
1 21 amount to be financed does not exceed \$3,000 and the term of  
1 22 the loan does not exceed one year.

1 23 The bill also expands the list of powers specified in Code  
1 24 section 533.4 applicable to credit unions. The bill provides  
1 25 that a credit union may sell to persons in the field of  
1 26 membership negotiable checks, including traveler's checks;  
1 27 money orders; and other similar money transfer instruments  
1 28 including international and domestic electronic fund  
1 29 transfers. A credit union is also authorized to cash checks  
1 30 and money orders, and to receive international and domestic  
1 31 electronic fund transfers, for persons in the field of  
1 32 membership.  
1 33 LSB 1693HC 82  
1 34 rn:rj/gg/14.1  
1 35