

House File 699 - Introduced

HOUSE FILE \_\_\_\_\_  
BY FORD

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

A BILL FOR

1 An Act providing for the establishment of a financial literacy  
2 and counseling pilot program to be administered by the Iowa  
3 finance authority, making an appropriation, and providing an  
4 effective date.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 2592HH 83  
7 kh/nh/14

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1 1 Section 1. IOWA FINANCE AUTHORITY == FINANCIAL LITERACY  
1 2 AND COUNSELING PILOT PROGRAM.  
1 3 1. A financial literacy and counseling pilot program is  
1 4 established to be administered by the Iowa finance authority  
1 5 in collaboration with the department of commerce to be  
1 6 operated in the five counties with the highest mortgage  
1 7 foreclosure rates as of the effective date of this Act. For  
1 8 the fiscal year beginning July 1, 2009, and ending June 30,  
1 9 2010, a mortgage banker or mortgage broker licensed or  
1 10 registered under chapter 535B who issues mortgage loans to  
1 11 consumers within the five counties shall recommend  
1 12 participation in the pilot program to any consumer seeking a  
1 13 mortgage loan with origination fees greater than five percent.  
1 14 The mortgage banker or mortgage broker shall also notify the  
1 15 consumer that the mortgage loan may have attributes that are  
1 16 predatory. A person who offers education, advice, or  
1 17 counseling through the financial literacy and counseling pilot  
1 18 program shall not be held liable for any damages incurred from  
1 19 actions taken based on the education, advice, or counseling  
1 20 obtained under the pilot program. In addition to the purposes  
1 21 listed in section 16.10, the authority shall use moneys  
1 22 declared by the authority to be surplus pursuant to section  
1 23 16.10 to fund the pilot program.  
1 24 2. The Iowa finance authority, in collaboration with the  
1 25 department of commerce, shall report its findings and  
1 26 recommendations for statewide implementation of the pilot  
1 27 program to the general assembly by January 15, 2011.  
1 28 Sec. 2. APPROPRIATION == IOWA FINANCE AUTHORITY. There is  
1 29 appropriated from the general fund of the state to the Iowa  
1 30 finance authority for the fiscal year beginning July 1, 2009,  
1 31 and ending June 30, 2010, the following amount, or so much  
1 32 thereof as is necessary, to be used for the purposes  
1 33 designated:

1 34 For administration of the financial literacy and counseling  
1 35 pilot program as enacted by this Act:  
2 1 ..... \$ 5,000

2 2 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
2 3 immediate importance, takes effect upon enactment.

2 4 EXPLANATION

2 5 This bill establishes a financial literacy and counseling  
2 6 program to be administered by the Iowa finance authority in  
2 7 collaboration with the department of commerce.  
2 8 The one-year pilot program is to be operated in the five  
2 9 counties with the highest mortgage foreclosure rates as of the  
2 10 effective date of the Act. A mortgage banker or mortgage  
2 11 broker issuing mortgage loans to consumers within the five  
2 12 counties must recommend participation in the pilot program to  
2 13 any consumer seeking a mortgage loan with origination fees  
2 14 greater than 5 percent, and must notify the consumer that the  
2 15 mortgage loan may have attributes that are predatory.  
2 16 A person who offers education, advice, or counseling  
2 17 through the pilot program shall not be held liable for any  
2 18 damages incurred from actions taken based on the education,

2 19 advice, or counseling obtained under the pilot program. The  
2 20 bill appropriates \$5,000 from the state general fund for the  
2 21 2009=2010 fiscal year to the authority for administration of  
2 22 the program and directs the authority to fund the pilot  
2 23 program with moneys declared by the authority to be surplus.  
2 24 The authority, in collaboration with the department of  
2 25 commerce, must report its findings and recommendations for  
2 26 statewide implementation of the pilot program to the general  
2 27 assembly by January 15, 2011.  
2 28 The bill takes effect upon enactment.  
2 29 LSB 2592HH 83  
2 30 kh/nh/14.1