

House File 706 - Introduced

HOUSE FILE _____
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HF 251)

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

A BILL FOR

1 An Act relating to and publicizing mortgage foreclosure and real
2 estate obligation protections for members of the national
3 guard, and the reserve or regular component of the armed
4 forces of the United States in active duty service, and
5 providing a penalty.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 2188HV 83
8 rn/rj/5

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1 1 Section 1. Section 29A.102, subsection 3, Code 2009, is
1 2 amended to read as follows:
1 3 3. A person who knowingly repossesses property which is
1 4 the subject of this section, other than as provided in
1 5 subsection 1, commits a ~~simple~~ serious misdemeanor.
1 6 Sec. 2. Section 29A.103, subsection 4, Code 2009, is
1 7 amended to read as follows:
1 8 4. A person who knowingly forecloses on property that is
1 9 the subject of this section, other than as provided in
1 10 subsection 1, commits a ~~simple~~ serious misdemeanor.
1 11 Sec. 3. NEW SECTION. 654.17B MILITARY FORECLOSURE
1 12 PROTECTION == NOTICE.
1 13 1. A creditor shall not initiate a proceeding to enforce
1 14 an obligation payable under its terms in installments under a
1 15 contract for the purchase of real estate, or secured by a
1 16 mortgage or other instrument in the nature of a mortgage upon
1 17 real estate, against a borrower, or a borrower's dependents,
1 18 under the following circumstances:
1 19 a. The borrower is a member of the national guard and
1 20 entitled to protection under the Iowa national guard civil
1 21 relief provisions contained in chapter 29A, subchapter VI. A
1 22 creditor who initiates a proceeding in violation of this
1 23 subsection against a borrower specified in this paragraph or
1 24 the borrower's dependent is subject to applicable penalty
1 25 provisions contained in sections 29A.102 and 29A.103.
1 26 b. The borrower is a member of the reserve or regular
1 27 component of the armed forces of the United States in active
1 28 duty service and entitled to protection under the federal
1 29 Servicemembers Civil Relief Act of 2003, 50 U.S.C. app 532 and
1 30 533. A creditor who initiates a proceeding in violation of
1 31 this subsection against a borrower specified in this paragraph
1 32 or the borrower's dependent is subject to applicable penalty
1 33 provisions contained in the federal Act.
1 34 2. The department of veterans affairs and the department
1 35 of commerce shall coordinate to develop a procedure to inform
2 1 or notify members of the national guard, reserve, or regular
2 2 component of the armed forces of the United States, and
2 3 financial institutions as defined in section 12C.1, of the
2 4 protections referenced in subsection 1. The notification
2 5 procedure shall include, at a minimum, posting the information
2 6 on an official internet site maintained by each department.
2 7 EXPLANATION
2 8 This bill relates to a prohibition against repossessions or
2 9 foreclosures on real property owned by members of the national
2 10 guard, or members of the reserve or regular component of the
2 11 armed forces of the United States in active duty service, or
2 12 their dependents.
2 13 Current law affords court-ordered protection against a
2 14 foreclosure or repossession action initiated by a creditor

2 15 against a member of the national guard, and provides a
2 16 mechanism whereby a service member may apply to a court for
2 17 relief from obligations relating to a contract for the
2 18 purchase of real estate or secured by a mortgage or other
2 19 instrument in the nature of a mortgage. Similar protection is
2 20 afforded to members of the regular or reserve components of
2 21 the armed forces of the United States in active duty service
2 22 and protected under the federal Servicemembers Civil Relief
2 23 Act of 2003.

2 24 The bill references both protections in Code chapter 654,
2 25 relating to foreclosures on real estate mortgages, and states
2 26 that initiation of an action which violates the protections
2 27 shall result in penalties applicable in the Code with regard
2 28 to national guard members, or pursuant to the federal Act with
2 29 regard to members of the regular or reserve components of the
2 30 armed forces. The bill increases the penalty applicable to
2 31 actions initiated against members of the national guard from
2 32 the current penalty of a simple misdemeanor to a serious
2 33 misdemeanor.

2 34 Additionally, the bill provides that the departments of
2 35 veterans affairs and commerce shall jointly develop a
3 1 procedure to notify military personnel specified in the bill
3 2 and financial institutions about the protections.

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