

House Study Bill 523 - Introduced

SENATE/HOUSE FILE _____

BY (PROPOSED ATTORNEY GENERAL
BILL)

A BILL FOR

1 An Act relating to the consumer credit code by increasing
2 dollar amount limitations for transactions governed by the
3 consumer credit code, establishing an exemption from the
4 definition of a consumer loan for specified debts secured by
5 real property, and modifying filing fees and a penalty for
6 creditors and debt collectors.

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

1 Section 1. Section 537.1301, subsection 13, paragraph a,
2 subparagraph (5), Code 2009, is amended to read as follows:

3 (5) With respect to a sale of goods or services, the amount
4 financed does not exceed ~~twenty-five~~ seventy-five thousand
5 dollars.

6 Sec. 2. Section 537.1301, subsection 14, paragraph a,
7 subparagraph (4), Code 2009, is amended to read as follows:

8 (4) The amount payable under the lease does not exceed
9 ~~twenty-five~~ seventy-five thousand dollars.

10 Sec. 3. Section 537.1301, subsection 15, paragraph a,
11 subparagraph (5), Code 2009, is amended to read as follows:

12 (5) The amount financed does not exceed
13 ~~twenty-five~~ seventy-five thousand dollars.

14 Sec. 4. Section 537.1301, subsection 15, paragraph b, Code
15 2009, is amended by adding the following new subparagraph:

16 NEW SUBPARAGRAPH. (5) A debt which is secured by a lien on
17 real property with an amount financed that exceeds twenty-five
18 thousand dollars.

19 Sec. 6. Section 537.3604, subsection 8, paragraph e, Code
20 2009, is amended to read as follows:

21 e. The amount payable under the consumer rental purchase
22 agreement does not exceed ~~twenty-five~~ seventy-five thousand
23 dollars.

24 Sec. 7. Section 537.6203, subsections 1 and 4, Code 2009,
25 are amended to read as follows:

26 1. a. A person required to file notification who is a
27 creditor shall pay to the administrator an annual fee of
28 ~~ten~~ twenty dollars. The fee shall be paid with the filing of
29 the first notification and on or before January 31 of each
30 succeeding year.

31 b. A person required to file notification who is a debt
32 collector shall pay to the administrator an annual fee of three
33 hundred dollars. The fee shall be paid with the filing of
34 the first notification and on or before January 31 of each
35 succeeding year.

1 4. In addition to the penalties provided by section
2 537.6113, subsection 3, the administrator may collect a charge,
3 established by rule, not exceeding ~~twenty-five~~ fifty dollars
4 from each person required to pay fees under this section who
5 fails to pay the fees in full within thirty days after they are
6 due.

7 EXPLANATION

8 This bill provides for increases in dollar amount
9 limitations specified in certain sections of the consumer
10 credit code. The increases relate to limitations contained
11 in Code sections concerning consumer credit sales, consumer
12 leases, and consumer loans with regard to amounts financed
13 or leased, and regarding the amount payable under a consumer
14 rental purchase agreement, with an increase in the limitations
15 from currently specified levels of \$25,000 to \$75,000.

16 Further, the bill establishes an additional exemption from
17 the definition of "consumer loan" applicable to the consumer
18 credit code contained in Code chapter 537, providing that a
19 consumer loan does not include a debt secured by a lien on real
20 property with an amount financed in excess of \$25,000.

21 The bill also increases fees payable by a creditor upon the
22 required annual filing of a notification of conducting business
23 in Iowa from the current level of \$10 to \$20, and establishes
24 an annual filing fee applicable to debt collectors in the
25 amount of \$300. A penalty applicable for failure to timely
26 file the notification is increased from \$25 to \$50.