

Senate Study Bill 3036 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED ATTORNEY GENERAL
BILL)

A BILL FOR

1 An Act relating to certain residential real estate contracts
2 and Iowa's consumer fraud Act and making penalties
3 applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 558.70, Code 2009, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5A. A violation of this section is an
4 unlawful practice pursuant to section 714.16.

5 EXPLANATION

6 Code section 558.70 requires a seller of certain residential
7 real estate, prior to executing a residential real estate
8 installment sales contract, to deliver a written contract
9 disclosure statement to the purchaser that includes, among
10 other items, certain information relating to the financing
11 of the real estate purchase. This bill provides that a
12 violation of this section is a violation of Iowa's consumer
13 fraud Act (Code section 714.16). Code section 714.16 prohibits
14 unfair and deceptive trade practices in the sale, lease, or
15 advertisement of a product or service and authorizes the
16 attorney general to file a lawsuit on behalf of an aggrieved
17 person to obtain temporary and permanent injunctive relief,
18 consumer reimbursement, costs and attorney fees, and civil
19 penalties up to \$40,000 per violation. This amendment to
20 the law supplements current law whereby a contract purchaser
21 injured by a violation of Code section 558.70 may file a
22 lawsuit to obtain rescission of the contract, monetary damages,
23 and reasonable attorney fees.