

**House File 405 - Introduced**

HOUSE FILE 405  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 261)

**A BILL FOR**

1 An Act relating to records requirements applicable to state  
2 banks and state credit unions, and causes of action and  
3 duties in relation thereto.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 524.221, subsection 1, unnumbered  
2 paragraph 1, Code 2011, is amended to read as follows:

3 A state bank is not required to preserve its records for  
4 a period longer than ~~eleven~~ seven years after the first  
5 day of January of the year following the time of the making  
6 or filing of such records, provided, however, that account  
7 records showing unpaid balances due to depositors shall not  
8 be destroyed. A copy of an original may be kept in lieu of  
9 any such original record. For purposes of this subsection, a  
10 copy includes any duplicate, rerecording or reproduction of  
11 an original record from any photograph, photostat, microfilm,  
12 microcard, miniature or microphotograph, computer printout,  
13 electronically stored data or image, or other process which  
14 accurately reproduces or forms a durable medium for accurately  
15 and legibly reproducing an unaltered image or reproduction of  
16 the original record.

17 Sec. 2. Section 524.221, subsections 2 and 3, Code 2011, are  
18 amended to read as follows:

19 2. All causes of action, other than actions for relief on  
20 the grounds of fraud or mistake, against a state bank based  
21 upon a claim or claims founded on a written contract, or a  
22 claim or claims inconsistent with an entry or entries in a  
23 state bank record, made in the regular course of business,  
24 shall be deemed to have accrued, and shall accrue for the  
25 purpose of the statute of limitations one year after the breach  
26 or failure of performance of a written contract, or one year  
27 after the date of such entry or entries. No action founded  
28 upon such a cause may be brought after the expiration of ~~ten~~  
29 six years from the date of such accrual.

30 3. The provisions of this section, insofar as applicable,  
31 shall apply to the records of a national bank or a federally  
32 chartered savings bank or a federally chartered savings and loan  
33 association.

34 Sec. 3. Section 533.322, subsection 1, Code 2011, is amended  
35 to read as follows:

1 1. The superintendent may adopt rules regarding the  
2 preservation of records and files of a state credit union or  
3 any other person supervised or regulated by the superintendent.  
4 A state credit union is not required to preserve its records  
5 for a period longer than ~~eleven~~ seven years after the first  
6 day of January of the year following the time of the making  
7 or filing of such records. However, account records showing  
8 unpaid balances due to depositors shall not be destroyed.

9 Sec. 4. Section 533.324, Code 2011, is amended to read as  
10 follows:

11 **533.324 ~~Liability for destruction~~ Preservation of records —**  
12 **statute of limitations.**

13 1. ~~With the exception of certain account records which shall~~  
14 ~~not be destroyed pursuant to section 533.322, liability shall~~  
15 ~~not accrue against a state credit union for destroying records~~  
16 ~~if the records were maintained for the minimum time provided~~  
17 ~~for in this chapter. All causes of action, other than actions~~  
18 ~~for relief on the grounds of fraud or mistake, against a state~~  
19 ~~credit union based upon a claim or claims founded on a written~~  
20 ~~contract, or a claim or claims inconsistent with an entry or~~  
21 ~~entries in a state credit union record, made in the ordinary~~  
22 ~~course of business, shall be deemed to have accrued, and shall~~  
23 ~~accrue for the purpose of the statute of limitations one~~  
24 ~~year after the breach or failure of performance of a written~~  
25 ~~contract, or one year after the date of such entry or entries.~~  
26 ~~No action founded upon such a cause may be brought after the~~  
27 ~~expiration of six years from the date of such accrual.~~

28 2. In any cause or proceeding in which state credit union  
29 records or files may be called in question or be demanded of  
30 the state credit union, or any officer or employee of the state  
31 credit union, a showing that such records or files have been  
32 destroyed in accordance with the provisions of this chapter or  
33 rules adopted pursuant to this chapter shall be a sufficient  
34 excuse for the failure to produce them.

35 Sec. 5. Section 554.4406, subsection 2, Code 2011, is

1 amended to read as follows:

2 2. If the items are not returned to the customer, the person  
3 retaining the items shall either retain the items or, if the  
4 items are destroyed, maintain the capacity to furnish legible  
5 copies of the items until the expiration of ~~eleven~~ seven years  
6 after receipt of the items. A customer may request an item  
7 from the bank that paid the item, and that bank must provide  
8 in a reasonable time either the item or, if the item has been  
9 destroyed or is not otherwise obtainable, a legible copy of the  
10 item.

11 EXPLANATION

12 This bill reduces the period of time during which a state  
13 bank or state credit union is required to preserve its records  
14 from the currently required 11 years after the first day of  
15 January of the year following the time of the making or filing  
16 of the record, to seven years after the first day of January  
17 of the year following the time of the making or filing of the  
18 record.

19 The bill additionally adds a claim or claims founded on  
20 a written contract to causes of action against a state bank  
21 subject to statute of limitations provisions contained in Code  
22 section 524.221, and reduces the statute of limitations period  
23 from 10 to six years. The bill applies the provisions of the  
24 Code section to federally chartered savings banks and federally  
25 chartered savings and loan associations, and duplicates these  
26 provisions in Code section 533.324, applicable to state credit  
27 unions.

28 The bill also reduces from 11 to seven years the period of  
29 time during which legible copies of items paid and retained  
30 or destroyed with reference to a customer's account must be  
31 maintained by a bank.