

Senate Study Bill 1040 - Introduced

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

A BILL FOR

1 An Act relating to the consumer credit code by providing
2 for increases in monetary limits applicable to motor
3 vehicle-related credit transactions and amending the
4 incorporation date for references to the federal Truth in
5 Lending Act.

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

1 Section 1. Section 537.1301, subsection 13, paragraph a,
2 Code 2013, is amended to read as follows:

3 a. Except as provided in paragraph "b", a consumer credit
4 sale is a sale of goods, services, or an interest in land in
5 which all of the following are applicable:

6 (1) Credit is granted either pursuant to a seller credit
7 card or by a seller who regularly engages as a seller in credit
8 transactions of the same kind.

9 (2) The buyer is a person other than an organization.

10 (3) The goods, services, or interest in land are purchased
11 primarily for a personal, family, or household purpose.

12 (4) Either the debt is payable in installments or a finance
13 charge is made.

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

16 (6) With respect to a sale of a motor vehicle, the amount
17 financed does not exceed fifty-three thousand dollars.

18 Sec. 2. Section 537.1301, subsection 14, paragraph a,
19 subparagraph (4), Code 2013, is amended to read as follows:

20 (4) The amount payable under the lease does not exceed
21 twenty-five thousand dollars or, if the lease is a motor
22 vehicle lease, the amount payable under the lease does not
23 exceed fifty-three thousand dollars.

24 Sec. 3. Section 537.1301, subsection 15, paragraph a,
25 subparagraph (5), Code 2013, is amended to read as follows:

26 (5) The amount financed does not exceed twenty-five
27 thousand dollars or, if the loan is obtained to finance the
28 purchase of a motor vehicle, the amount financed does not
29 exceed fifty-three thousand dollars.

30 Sec. 4. Section 537.1302, Code 2013, is amended to read as
31 follows:

32 **537.1302 Definition — Truth in Lending Act.**

33 As used in this chapter, "*Truth in Lending Act*" means Tit. 1
34 of the Consumer Credit Protection Act, in subch. 1 of 15 U.S.C.
35 ch. 41, as amended to and including July 1, ~~2010~~ 2013, and

1 includes regulations issued pursuant to that Act prior to July
2 1, ~~2010~~ 2013.

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EXPLANATION

4 This bill increases the jurisdictional monetary limit
5 applicable to motor vehicle-related credit transactions
6 contained in the Iowa consumer credit code. Currently, in
7 the definitions of consumer credit sale, consumer lease,
8 and consumer loan, the applicable maximum monetary limit is
9 \$25,000. The bill increases this limit to \$53,000 with respect
10 to consumer credit sales, leases, and loans involving a motor
11 vehicle.

12 The bill also changes the date by which amendments to the
13 federal Truth in Lending Act, and regulations issued pursuant
14 to the Act, are considered incorporated within the Act for
15 purposes of Code chapter 537 from July 1, 2010, to July 1,
16 2013.