

**House File 512 - Introduced**

HOUSE FILE 512  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 14)

(COMPANION TO SF 177 BY  
COMMITTEE ON COMMERCE)

**A BILL FOR**

1 An Act providing for the deferral of unpaid installments and  
2 deferral charges for certain interest-bearing consumer  
3 credit transactions.

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

1 Section 1. Section 537.2503, subsection 1, Code 2017, is  
2 amended to read as follows:

3 1. a. Before or after default in payment of a scheduled  
4 installment of a precomputed consumer credit transaction, the  
5 parties to the transaction may agree in writing to a deferral  
6 of all or part of one or more unpaid installments and the  
7 creditor may make at the time of deferral and receive at that  
8 time or at any time thereafter a deferral charge which is  
9 not in excess of one and one-half percent per month for the  
10 period of time for which it is deferred, but not to exceed the  
11 rate of finance charge which was required to be disclosed in  
12 the transaction to the consumer pursuant to [section 537.3201](#)  
13 applied to each amount deferred for the period for which it  
14 is deferred. In computing a deferral charge for one or more  
15 months, any month may be counted as one-twelfth of a year and  
16 in computing a deferral charge for part of a month, a day shall  
17 be counted as one three hundred sixty-fifth of a year.

18 b. With respect to an interest-bearing consumer credit  
19 transaction not pursuant to an open-end credit arrangement  
20 and other than a consumer lease or consumer rental purchase  
21 agreement, the parties to the transaction may agree in writing  
22 to a deferral of all or part of one or more unpaid installments  
23 in addition to any interest accrued pursuant to the terms of  
24 the consumer credit transaction. The creditor may make at  
25 the time of deferral and receive at that time or at any time  
26 thereafter a deferral charge which shall not exceed twenty  
27 dollars per deferred installment.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with  
30 the explanation's substance by the members of the general assembly.

31 This bill authorizes the deferral of unpaid installments and  
32 deferral charges for certain interest-bearing consumer credit  
33 transactions.

34 Under Code section 537.2503(1), the parties to a precomputed  
35 consumer credit transaction may agree in writing to a partial

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1 or full deferral of any unpaid installments and the creditor  
2 may receive a deferral charge. The bill amends Code section  
3 537.2503(1) by providing for such a deferral with respect to  
4 interest-bearing consumer credit transactions not pursuant to  
5 open-end credit arrangements and other than consumer lease  
6 or consumer rental purchase agreements. The parties to this  
7 type of transaction may agree in writing to a partial or full  
8 deferral of any unpaid installments in addition to any interest  
9 accrued pursuant to the terms of the transaction. The creditor  
10 may receive a deferral charge not to exceed \$20 per deferred  
11 installment.