

**Senate File 567 - Introduced**

SENATE FILE 567  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1235)

**A BILL FOR**

- 1 An Act relating to loans originated by mortgage bankers.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 535.8, subsection 2, Code 2021, is  
2 amended to read as follows:

3 2. If a lender that is a financial institution as defined in  
4 section 537.1301 or a mortgage banker licensed or registered  
5 pursuant to chapter 535B makes a loan in which the points and  
6 fees the borrower is charged by all lenders in connection with  
7 the loan do not exceed the amounts specified in 12 C.F.R.  
8 §1026.43(e)(3), the loan shall not be subject to the provisions  
9 of subsection 4, paragraphs "a", "b", and "d", or subsection  
10 5. This subsection applies to the financial institution lender  
11 that originates the loan and to subsequent purchasers of the  
12 loan originated by the financial institution.

13 EXPLANATION

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

16 This bill relates to loans originated by mortgage bankers.  
17 The bill provides that if a lender that is a financial  
18 institution or a mortgage banker licensed or registered  
19 pursuant to Code chapter 535B makes a loan in which the points  
20 and fees the borrower is charged in connection with the loan do  
21 not exceed the amounts specified in 12 C.F.R. §1026.43(e)(3),  
22 the loan shall not be subject to the provisions of Code section  
23 535.8, subsection 4, paragraphs "a", "b", and "d" (providing  
24 for additional fees and the right to recover unlawful fees), or  
25 subsection 5 (authorizing the lender to offer to make a loan  
26 on all of the same terms except at a lower interest rate in  
27 exchange for the payment of an interest reduction fee).