

House Study Bill 174 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to specified loans provided by a mortgage
2 banker.

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

1 Section 1. Section 535.8, subsection 2, Code 2023, is
2 amended to read as follows:

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

18 EXPLANATION

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

21 This bill relates to specified loans provided by a mortgage
22 banker.

23 A loan made by a licensed or registered mortgage banker
24 under Code chapter 535B making a loan where the points and fees
25 the borrower is charged cumulatively do not exceed the amounts
26 specified in 12 C.F.R. §1026.43(e)(3) shall not be subject to
27 Code section 535.8(5), regarding loans and interest reduction
28 fees.