

Senate Study Bill 3077 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BROWN)

A BILL FOR

1 An Act relating to points and fees charged on loans by mortgage
2 bankers.

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

1 Section 1. Section 535.8, subsection 2, Code 2024, 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 4, paragraph "a", or subsection
15 [5](#). [This subsection](#) applies to the financial institution lender
16 that originates the loan and to subsequent purchasers of the
17 loan originated by the financial 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 points and fees charged on loans by
22 mortgage bankers. Under current law, if a lender that is a
23 mortgage banker makes a loan in which the points and fees
24 the borrower is charged by all lenders in connection with
25 the loan do not exceed the amounts specified in 12 C.F.R.
26 §1026.43(e)(3), the loan shall not be subject to the provisions
27 of Code section 535.8(5). Under the bill, the loan shall also
28 not be subject to Code section 535.8(4)(a).