

House File 627 - Introduced

HOUSE FILE 627

BY NORDMAN

A BILL FOR

1 An Act relating to annual percentage rates for delayed deposit
2 service transactions.

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

unofficial

1 Section 1. NEW SECTION. **533D.9A Annual percentage rate**
2 **restriction.**

3 1. Notwithstanding subsection 3, a licensee shall not impose
4 an annual percentage rate greater than thirty-six percent in
5 connection with a delayed deposit service transaction.

6 2. A delayed deposit service transaction made in violation of
7 this section shall be void, and the licensee making the delayed
8 deposit service transaction shall not collect, receive, or retain
9 any principal, interest, fees, or other charges in connection
10 with the delayed deposit service transaction.

11 3. A licensee shall not impose on an individual on active
12 military duty, or their spouse or dependents, an annual
13 percentage rate greater than the rates allowed under 10 U.S.C.
14 §987 in connection with a delayed deposit service transaction.

15 **EXPLANATION**

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

18 This bill relates to annual percentage rates for delayed
19 deposit service transactions.

20 Under the bill, a person licensed under Code chapter 533D
21 (licensee) shall not impose an annual percentage rate greater
22 than 36 percent in connection with a delayed deposit service
23 transaction. A delayed deposit service transaction made in
24 violation of the bill shall be void, and the licensee shall
25 not collect, receive, or retain any principal, interest, fees,
26 or other charges in connection with the delayed deposit service
27 transaction.

28 For an individual on active military duty, or their spouse or
29 dependent, a licensee shall not impose an annual percentage rate
30 greater than allowable under 10 U.S.C. §987 in connection with a
31 delayed deposit service transaction.