

House File 727 - Introduced

HOUSE FILE 727

BY COOLING, WILBURN, JAMES,
LEVIN, B. MEYER, KRESSIG,
BAGNIEWSKI, MADISON, CROKEN,
R. JOHNSON, AMOS JR.,
SRINIVAS, EHLERT, OLSON,
SCHOLTEN, WESSEL-KROESCHELL,
and NIELSEN

A BILL FOR

1 An Act relating to the maximum finance charge on a consumer
2 credit sale.

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

unofficial

1 Section 1. Section 537.2201, subsection 2, Code 2025, is
2 amended to read as follows:

3 2. The finance charge, calculated according to the actuarial
4 method, may not exceed ~~twenty-one~~ ten percent per year on the
5 unpaid balances of the amount financed.

6 Sec. 2. Section 537.2202, subsection 2, unnumbered paragraph
7 1, Code 2025, is amended to read as follows:

8 For each billing cycle, a charge may be made which is a
9 percentage of an amount not exceeding the greatest of the
10 following, but in no case shall exceed ten percent per year on
11 the unpaid balance of the amount financed:

12 EXPLANATION

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

15 This bill relates to the maximum finance charge for consumer
16 credit sales. Under the bill, for consumer credit sales both
17 pursuant to open-end credit and not pursuant to open-end credit,
18 a finance charge may not exceed 10 percent per year on the unpaid
19 balance of the amount financed.