

**Senate Study Bill 3066 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY CHAIRPERSON  
BOUSSELOT)

**A BILL FOR**

1 An Act relating to certain sales of auto club memberships and  
2 vehicle warranties.

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

unofficial

1 Section 1. Section 536.13, Code 2026, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 5A. After a licensee has approved a loan to  
4 a borrower, the licensee may offer the borrower the option to  
5 purchase an auto club membership or vehicle warranty. If the  
6 licensee offers a borrower the option to purchase an auto club  
7 membership or vehicle warranty, all of the following shall apply:

8 a. The licensee shall inform the borrower, in a written  
9 document initialed by the borrower, that the purchase of an auto  
10 club membership or vehicle warranty is optional and failure to  
11 purchase an auto club membership or vehicle warranty will not  
12 affect the receipt of the loan by the borrower.

13 b. If the borrower chooses to purchase an auto club  
14 membership or vehicle warranty the licensee shall permit the  
15 borrower either to pay the cost of the auto club membership or  
16 vehicle warranty with funds that are not the proceeds of the  
17 loan, or to include the cost in the loan the borrower obtains  
18 from the licensee.

19 c. A licensee shall permit a borrower to cancel an auto  
20 club membership or vehicle warranty and to receive a full  
21 refund of the purchase price at any time within thirty calendar  
22 days following the date of purchase from the licensee if the  
23 borrower has not used any service provided through the auto club  
24 membership or vehicle warranty.

25 EXPLANATION

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

28 This bill relates to certain sales of auto club memberships  
29 and vehicle warranties.

30 Under the bill, a licensed loan officer (licensee) may, after  
31 approving a loan to a borrower, offer the borrower the option  
32 to purchase an auto club membership (membership) or vehicle  
33 warranty (warranty). If the licensee offers the option to  
34 purchase a membership or warranty, the licensee shall: inform  
35 the borrower, in a written document initialed by the borrower,

S.F. \_\_\_\_\_

1 that the purchase of a membership or warranty is optional and  
2 will not affect the receipt of the loan by the borrower; if the  
3 borrower chooses to purchase a membership or warranty, permit the  
4 borrower either to pay for the cost with funds that are not the  
5 proceeds of the loan, or to include the cost in the total amount  
6 financed by the loan the borrower obtains from the licensee; and  
7 permit the borrower to cancel the membership or warranty and  
8 receive a full refund of the purchase price at any time within  
9 30 days following the date of purchase if the borrower has not  
10 used the membership or warranty.

unofficial