

3 two (382), section six (6), Acts of the Sixty-second General Assembly, is
4 further amended as follows:

5 1. By striking from lines three (3) through six (6), inclusive, the words
6 and figures "in accordance with the provisions of section 5 of the Home
7 Owners' Loan Act of 1933 (12 U.S.C. §§1461-1468)," and inserting in lieu
8 thereof the words "or a federal savings association or other mutual savings
9 association authorized under the laws of the United States,".

10 2. By striking from lines eighty-seven (87) through eighty-nine (89), in-
11 clusive, the words and figures "under the provisions of the Home Owners'
12 Loan Act of 1933 (12 U.S.C. §§1461-1468)" and inserting in lieu thereof the
13 words "or a federal savings association or other mutual savings association
14 authorized under the laws of the United States".

15 3. By adding the following:

16 "For the purposes of this entire section, wherever reference is made to
17 'federal savings and loan association' it shall include any mutual or savings
18 association authorized and chartered under the laws of the United States."

1 SEC. 6. Section five hundred thirty-four point nineteen (534.19), sub-
2 section thirteen (13), Code 1966, is hereby amended by adding the following
3 thereto:

4 "In addition to the above unsecured or secured borrowing, an associa-
5 tion may issue such notes, bonds, debentures and other obligations or se-
6 curities, except capital stock, as are approved by the supervisor of savings
7 and loan associations, and if authorized by the regulations of the Federal
8 Home Loan Bank, as long as the total amount of funds borrowed under
9 this sentence shall not exceed five per cent of the withdrawable accounts
10 of the association and provided that such obligations and securities shall
11 be subject to the priority of the rights of the owners of the savings and
12 deposits of said association."

Approved April 14, 1969.

CHAPTER 277

INTEREST RATE ON MONEY

S. F. 279

AN ACT to amend section five hundred thirty-five point two (535.2), Code 1966, relating to the rate of interest to which parties may agree in writing.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred thirty-five point two (535.2), Code
2 1966, is hereby amended by striking the word "seven" in line five (5)
3 thereof and inserting in lieu thereof the word "nine".

4 Section five hundred thirty-five point two (535.2), Code 1966, is hereby
5 further amended by adding at the end of subsection one (1) the following:

6 "Excessive charges or premiums for credit life, accident or health insur-
7 ance written in connection with money loaned shall be included in the rate
8 of interest unless

9 (1) the coverage of the debtor by the insurance is not a factor in the ap-
10 proval by the creditor of the extension of credit, and this fact is clearly
11 disclosed in writing to the person applying for or obtaining the extension
12 of credit; and

13 (2) in order to obtain the insurance in connection with the extension
 14 of credit, the person to whom the credit is extended must give specific
 15 affirmative written indication of his desire to do so after written disclo-
 16 sure to him of the cost thereof.

17 The foregoing provision regarding excessive charges or premiums to be
 18 included in the rate of interest shall have application only to the original
 19 parties to an agreement and shall in no manner affect the negotiability of
 20 instruments or the rights of subsequent holders.

21 The insurance commissioner, after hearing where all interested parties
 22 shall be given an opportunity to be heard, shall approve a reasonable
 23 charge or premium for credit life and accident or health credit insurance.
 24 Such reasonable charge or premium shall allow a fair and reasonable re-
 25 turn or profit for the risk involved in providing such coverage."

1 SEC. 2. This Act, being deemed of immediate importance, shall take
 2 effect and be in force from and after its publication in The Times-Plain
 3 Dealer, a newspaper published in Cresco, Iowa, and in the Council Bluffs
 4 Nonpareil, a newspaper published in Council Bluffs, Iowa.

Approved April 4, 1969.

I hereby certify that the foregoing Act, Senate File 279, was published in The Times-Plain Dealer, Cresco, Iowa, April 9, 1969 and in the Council Bluffs Nonpareil, Council Bluffs, Iowa, April 9, 1969.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 278

ADMINISTRATION OF INDUSTRIAL LOAN LAW

S. F. 601

AN ACT to establish a permanent revolving fund for the office of the state auditor for payment of the costs incurred in the administration of the Iowa industrial loan law.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred thirty-six A point eleven (536A.11),
 2 Code 1966, is hereby amended as follows:

3 1. By striking from line thirty-six (36) the words "license fee after the
 4 state auditor has".

5 2. By striking lines thirty-seven (37) through forty-one (41), inclusive,
 6 and inserting in lieu thereof the following:

7 "investigation fee. If the cost of investigation exceeds the investigation
 8 fee, the excess cost shall be deducted from the license fee before any re-
 9 fund is made."

1 SEC. 2. Section five hundred thirty-six A point twelve (536A.12),
 2 Code 1966, is hereby amended by adding the following paragraph:

3 "The license fees provided in this section and the investigation and
 4 license fee provided for in section five hundred thirty-six A point seven
 5 (536A.7) of the Code, and the payment for the costs of examinations pro-
 6 vided for in section five hundred thirty-six A point fifteen (536A.15) shall
 7 constitute a revolving fund known as the 'industrial loan law revolving