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Approved April 17, 1978

CHAPTER 1190
MONEY AND INTEREST

H. F. 2467

AN ACT relating to the authority, procedures, practices and transactions of persons who lend money or extend credit, and providing penalties.

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

Section 1. NEW SECTION. DEFINITIONS. For purposes of sections one (1) through ten (10) of this Act, unless the context otherwise requires:

1. "Red-lining" means the practice by which a financial institution may designate certain areas as unsuitable for the making of mortgage loans and reject applications for mortgage loans or vary the terms of a mortgage loan upon property within that area because of the prevailing income, racial or ethnic characteristics of the area, or because of the age of the structures in the area.

2. "Mortgage loan" means a loan for the purchase, construction, improvement or rehabilitation of residential property containing or to contain four or fewer family dwelling units in which the property is used as security for the loan.

3. "Financial institution" means any bank, credit union, insurance company, mortgage banking company or savings and loan association, industrial loan company, or like institution which operates or has a place of business in this state.

4. "Reporting financial institution" means a financial institution with an excess of ten million dollars in assets which during a reporting period accepts mortgage loan applications from persons in any Iowa city with a population in excess of fifty thousand as determined in the most recent regular census or in any standard metropolitan statistical area.

5. "Vary the terms of a mortgage loan" includes, but is not limited to the following:

a. Requiring a greater than average down payment than is usual for the particular type of mortgage loan involved.

b. Requiring a shorter period of amortization than is usual for the particular type of mortgage loan involved.

c. Charging a higher interest rate or higher loan origination fees than is usual for the particular type of mortgage loan involved.

d. An unreasonable underappraisal of real estate or item of property offered as security.

Sec. 2. NEW SECTION. DISCRIMINATORY--REAL ESTATE MORTGAGES. It is a discriminatory practice for any financial institution accepting mortgage loan applications to engage in the practice of red-lining as defined in section one (1) of this Act.

Sec. 3. NEW SECTION. DISCRETION OF FINANCIAL INSTITUTION. Nothing contained in sections one (1) through ten (10) of this Act shall preclude a financial institution from applying economically sound underwriting practices in contemplation of any mortgage loan to any person. Such practices shall include but are not limited to the following:

1. The willingness and the financial ability of the borrower to repay the mortgage loan.

2. The appraised value of any real estate or other item of property proposed as security for any mortgage loan.

3. Diversification of the financial institution's investment portfolio.

Sec. 4. NEW SECTION. DISCLOSURE. Each reporting financial institution accepting an application for a mortgage loan shall:

1. Maintain a record of mortgage loan applications by census tract.

2. Annually make a report based on the mortgage loan application records which shall:

a. State the total number of mortgage loan applications filed by census tract.

b. Clearly show the total number of mortgage loans which were approved and which were not approved by census tract.

3. The report required by this section shall be placed on file with the Iowa housing finance authority and shall be available to the public.

4. In accordance with subsections one (1), two (2) and three (3) of this section, the superintendent of banking, the auditor of state, the administrator of the credit union

department, and the commissioner of insurance shall establish rules for the enforcement of the provisions of this section. Rules established pursuant to sections one (1) through ten (10) of this Act shall permit a financial institution which is required to file a disclosure report pursuant to the federal home mortgage disclosure act of 1975, 12 U.S.C. 2801 to 2809, and the regulations promulgated under that act, to file a copy of that report with the Iowa housing finance authority. If a financial institution is not required to file a disclosure report pursuant to the federal home mortgage disclosure act, the financial institution shall file with the Iowa housing finance authority a report that conforms in form and substance with the requirements of the federal home mortgage disclosure act.

Reporting periods shall be established by rule and shall be uniform for all financial institutions.

The director of the Iowa housing finance authority or the director's designee shall advise and assist the superintendent of banking, the commissioner of insurance, the administrator of the credit union department, and the auditor of state on the establishment of rules for the enforcement of this section and shall encourage uniformity among the administrator's rule promulgation to the maximum extent practical.

Sec. 5. NEW SECTION. AGENCY TO ADMINISTER. Sections two (2), and four (4) of this Act shall be administered and enforced by the following agencies:

1. The superintendent of banking or the superintendent's designee shall be responsible for enforcing those sections in regard to all banks and mortgage banking companies.

2. The auditor of state or a designee shall be responsible for enforcing those sections in regard to all savings and loan associations pursuant to chapter five hundred thirty-four (534) of the Code and all persons licensed under chapter five hundred thirty-six A (536A) of the Code.

3. The commissioner of insurance or the commissioner's designee shall be responsible for enforcing those sections pursuant to chapter five hundred five (505) of the Code in regard to all insurance companies.

4. The administrator of the credit union department or a designee shall be responsible for enforcing those sections in regard to all credit unions.

Sec. 6. NEW SECTION. AGGRIEVED PARTY. Any person who has been aggrieved as a result of a violation of sections

one (1) through ten (10) of this Act may bring an action in the district court of the county in which the violation occurred or in the county where the financial institution involved is located.

Upon a finding that a financial institution has committed a violation of either section two (2), or four (4) of this Act, the court may award actual damages, court costs and attorney fees.

Sec. 7. NEW SECTION. CRIMINAL PENALTY. Any person who knowingly engages in a practice which violates the provisions of section two (2) or four (4) of this Act is guilty of a serious misdemeanor.

Sec. 8. NEW SECTION. CIVIL PENALTY. Any person who in bad faith fails to comply with the provisions of sections one (1) through ten (10) of this Act, is subject to punitive damages not to exceed one thousand dollars in addition to actual damages as set forth in section six (6) of this Act.

Sec. 9. The Code editor is directed to incorporate sections one (1) through eight (8) of this Act as a separate chapter of the Code.

Sec. 10. The director of the Iowa housing finance authority shall report to the Iowa general assembly in February of 1980, an analysis of the nature and status of the disclosure reports filed pursuant to section four (4) of this Act.

The director's report shall also include but is not limited to an analysis of the financial needs of economically depressed urban residential areas, and recommendations for future action to insure the economic health of urban residential areas.

Sec. 11. Section five hundred thirty-five point two (535.2), Code 1977, is temporarily, except as otherwise specifically provided in section twenty-six (26) of this Act, amended commencing on the effective date of this Act and until July 1, 1979, to read as follows:

535.2 RATE OF INTEREST.

1. Except as provided in subsection 2 hereof, the rate of interest shall be five cents on the hundred by the year in the following cases, unless the parties shall agree in writing for the payment of interest at a rate not exceeding nine-cents-on-the-hundred-by-the-year the rate permitted by subsection three (3) of this section:

- a. Money due by express contract.
- b. Money after the same becomes due.
- c. Money loaned.

d. Money received to the use of another and retained beyond a reasonable time, without the owner's consent, express or implied.

e. Money due on the settlement of accounts from the day the balance is ascertained.

f. Money due upon open accounts after six months from the date of the last item.

g. Money due, or to become due, where there is a contract to pay interest, and no rate is stipulated.

2. Any domestic or foreign corporation ~~or~~, and any real estate investment trust as defined in section 856 of the Internal Revenue Code, and any person purchasing securities as defined in chapter 502 on credit from a broker or dealer registered or licensed under chapter 502 or under the Security Exchange Act of 1934, 48 Stat. 881, 15 United States Code 78A, as amended, and any person borrowing money in the principal amount of two hundred thousand dollars or more for business purposes, and any person borrowing money in the principal amount of five hundred thousand dollars or more for agricultural purposes, may agree in writing to pay any rate of interest in excess of the rate ~~prescribed in subsection 4-hereof~~ permitted by this section, and no such corporation or real estate investment trust or person so agreeing in writing shall plead or interpose the claim or defense of usury in any action or proceeding.

3. a. The maximum lawful rate of interest which may be provided for in any written agreement for the payment of interest entered into during any calendar quarter commencing on or after July 1, 1978, shall be two percentage points above the monthly average ten-year constant maturity interest rate of United States government notes and bonds as published by the board of governors of the federal reserve system for the calendar month second preceding the first month of the calendar quarter during which the maximum rate based thereon will be effective, rounded to the nearest one-fourth of one percent per year.

On or before the twentieth day of March, June, September and December of each year the superintendent of banking shall determine the maximum lawful rate of interest for the following calendar quarter as prescribed herein, and shall cause such rate to be published, as a notice in the Iowa administrative bulletin or as a legal notice in a newspaper of general circulation published in Polk county, prior to the first day

of the following calendar month. Such maximum lawful rate of interest shall be effective on the first day of the calendar month following publication. As soon as practicable after the effective date of this Act, the superintendent of banking shall determine and publish the maximum lawful rate pursuant to this paragraph for the third quarter of 1978, which maximum rate shall be effective upon publication thereof. The determination of the maximum lawful rate of interest by the superintendent of banking shall be exempt from the provisions of chapter seventeen A (17A) of the Code.

b. Any rate of interest specified in any written agreement providing for the payment of interest shall, if such rate was lawful at the time the agreement was made, remain lawful during the entire term of the agreement, including any extensions or renewals thereof, for all money due or to become due thereunder including future advances, if any.

c. Any written agreement for the payment of interest made pursuant to a prior written agreement by a lender to lend money in the future, either to the other party to such prior written agreement or a third party beneficiary of such prior agreement, may provide for payment of interest at the lawful rate of interest at the time of the execution of the prior agreement regardless of the time at which the subsequent agreement is executed.

d. Any contract, note or other written agreement providing for the payment of a rate of interest permitted by this subsection which contains any provisions providing for an increase in the rate of interest prescribed therein shall, if such increase could be to a rate which would have been unlawful at the time the agreement was made, also provide for a reduction in the rate of interest prescribed therein, to be determined in the same manner and with the same frequency as any increase so provided for.

4. Notwithstanding the provisions of subsection three (3) of this section, with respect to any agreement which was executed prior to the effective date of this Act and which contained a provision for the adjustment of the rate of interest specified in that agreement, the maximum lawful rate of interest which may be imposed under that agreement shall be nine cents on the hundred by the year, and any excess charge shall be a violation of section five hundred thirty-five point four (535.4) of the Code.

5. This section shall not apply to any loan which is subject to the provisions of section six hundred eighty-two point forty-six (682.46) of the Code.

Sec. 12. Chapter five hundred thirty-five (535), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, by adding the following temporary new section:

NEW SECTION. LOAN CHARGES LIMITED.

1. As used in this section, the term "loan" means any money loaned to a borrower who furnishes, as security for all or part of the loan, a mortgage on real property which is a single-family or a two-family dwelling occupied or to be occupied by the borrower.

2. The assessment and collection in connection with a loan of a loan origination fee, closing fee, commitment fee or similar charge is prohibited. If any lender receives any amount as a loan origination fee, closing fee, commitment fee or similar charge, or any combination thereof, which exceeds the amount permitted by this section, the borrower shall have the right to recover that charge, plus attorney fees and court costs incurred in any action necessary to effect such recovery.

Any costs charged to a borrower, associated with a loan, shall not exceed actual costs which shall be disclosed to the borrower. Such costs may only include one or more of the following:

- a. Credit reports.
- b. Appraisal fees.
- c. Attorney's opinions.
- d. Abstracting.
- e. County recorder's fees.
- f. Inspection fees.
- g. Mortgage guarantee insurance charge.
- h. Surveying of property.
- i. Termite inspection.

The lender shall not charge the borrower for the cost of revenue stamps or real estate commissions which are paid by the seller.

3. A lender shall not, as a condition of making a loan as defined in this section, require the borrower to place money, or to place property other than that which is given as security for the loan, on deposit with or in the possession or control of the lender or some other person if the effect

is to increase the yield to the lender with respect to that loan; provided that this subsection shall not prohibit a lender from requiring the borrower to deposit money without interest with the lender in an escrow account for the payment of insurance premiums, property taxes and special assessments payable by the borrower to third persons. Any lender who requires an escrow account shall not violate the provisions of paragraph a of subsection one (1) of section five hundred seven B point five (507B.5) of the Code.

4. If any lender receives interest either in a manner or in an amount which is prohibited by subsection three (3) of this section, the borrower shall have the right to recover all amounts collected or earned by the lender, whether or not from the borrower, in violation of this section, plus attorney fees, plus court costs incurred in any action necessary to effect such recovery.

5. The provisions of this section shall not apply to any loan which is subject to the provisions of section six hundred eighty-two point forty-six (682.46) of the Code, nor shall it apply to origination fees, administrative fees, commitment fees or similar charges paid by one lender to another lender if these fees are not ultimately paid either directly or indirectly by the borrower who occupies or will occupy the dwelling.

6. This section is repealed effective July 1, 1979.

Sec. 13. Chapter five hundred thirty-five (535), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, by adding the following temporary new section:

NEW SECTION. PREPAYMENT PENALTIES ON LOANS SECURED BY REAL ESTATE MORTGAGES PROHIBITED.

1. As used in this section:

a. "Loan" means money loaned to a borrower who furnishes, as security for all or any part of the loan, a mortgage on real property which is a single-family or a two-family dwelling to be occupied by the borrower or money loaned to a borrower for the purpose of purchasing agricultural land where the borrower furnishes a mortgage on the real property to be purchased as security for the loan.

b. "Lender" means any state or federally chartered bank, savings and loan association or credit union, any industrial loan company, any insurance company, or any other person or entity which makes a loan, as defined in this section.

2. Whenever a borrower under a loan repays the full amount of the loan in connection with a transfer of ownership of the real property given as security for that loan, the lender shall not receive an amount in payment of interest which is greater than the amount determined by applying the rate of interest agreed upon by the lender and the borrower to the unpaid balance of the loan for a period of time during which the borrower had the use of the money loaned; and the lender shall not impose any penalty or other charge in addition to the amount of interest due as a result of the repayment of that loan at a date earlier than is required by the terms of the loan agreement. A lender may, however, require advance notice of not more than thirty days of a borrower's intent to repay the full amount of a loan at a date earlier than is required by the terms of the loan agreement.

3. If any lender receives an amount of interest greater than permitted by subsection two (2) of this section, or imposes any penalty or other charge prohibited by subsection two (2) of this section, the borrower shall have the right to recover all amounts paid the lender which are in excess of the amounts permitted by subsection two (2) of this section, plus attorney's fees and court costs incurred in any action necessary to effect such recovery.

Sec. 14. Section five hundred twenty-four point nine hundred five (524.905), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, by adding the following temporary new subsection:

NEW SUBSECTION. If a customer elects to repay a loan secured by a mortgage or deed of trust upon real property which is a single-family or two-family dwelling or agricultural land at a date earlier than is required by the terms of the loan, the state bank shall be governed by section thirteen (13) of this Act.

Sec. 15. Section five hundred thirty-three point sixteen (533.16), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, by adding the following temporary new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If a member elects to repay a loan secured by a mortgage or deed of trust upon real property which is a single-family or a two-family dwelling or agricultural land at a date earlier than is required by the terms of the loan, the credit union shall be governed by section thirteen (13) of this Act.

Sec. 16. Section five hundred thirty-four point twenty-one (534.21), subsection ten (10), Code 1977, as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapter one hundred thirty-three (133), section seven (7), is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, to read as follows:

10. ADVANCE INTEREST ON PREPAYMENTS. Real estate loans on a single-family or a two-family dwelling or agricultural land may be repaid in part or in full at any time subject to the provisions of section thirteen (13) of this Act. Real estate loans on ~~one-to~~ three and four family dwellings may be repaid in part or in full at any time, excepting that the association may charge not to exceed six months advance interest on that part of the aggregate amount of all prepayments made on such loan in any twelve-month period which exceeds twenty percent of the original principal amount of the loan; and may charge any negotiated rate on other loans, except the real estate loans on single-family and two-family dwellings or agricultural land previously referred to in this subsection.

Sec. 17. Section five hundred thirty-six A point twenty-three (536A.23), subsection one (1), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, by adding the following temporary new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If a borrower elects to repay a loan secured by a mortgage or deed of trust upon real property which is a single-family or two-family dwelling or agricultural land at a date earlier than is required by the terms of the loan, the licensee shall be governed by section thirteen (13) of this Act.

Sec. 18. Section five hundred thirty-four point nineteen (534.19), subsection six (6), Code 1977, is amended to read as follows:

6. PROPERTY IMPROVEMENT LOANS. To make loans for maintenance, repair, landscaping, modernization, furniture and fixtures, improvement and equipment, with or without security provided that no such loan without security shall exceed ten thousand dollars, and provided further that not in excess of twenty percent of the assets of the association shall be so invested, said twenty percent to be exclusive of the forty percent of assets power set out in section 534.21 hereof. ~~Such loans, other than consumer loans as defined~~

~~in the Iowa consumer credit code, shall be amortized to mature in not to exceed eight years.~~ The provisions of the Iowa consumer credit code shall apply to consumer loans made by a savings and loan association and a provision of that code shall supersede any conflicting provision of this chapter with respect to a consumer loan. Loans made pursuant to this subsection shall be for terms not exceeding fifteen years and shall not be made at interest rates in excess of rates allowed for consumer loans.

Sec. 19. Section five hundred thirty-six A point twenty-three (536A.23), subsection one (1), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, to read as follows:

1. Charge, receive or collect interest at a rate ~~greater than that authorized by section 535.2~~ exceeding nine cents on the hundred by the year, except that the interest may be computed when the note is made on the full amount of the cash advanced on the loan from the date of the note to the date of the final installment thereof, and the interest so computed may be included in the note, notwithstanding any agreement to pay the entire amount in installments; or the interest may be computed on the amount of the note and discounted or collected in advance when the loan is made, notwithstanding any agreement to pay the entire amount in installments. If the note is repayable in other than equal monthly installments, the interest may be an amount computed on the basis of the effective rates permitted as provided above; provided, however there shall be no compounding of interest and when an interest rate as authorized herein is advertised, or negotiated for with a prospective borrower, with intent that it be computed by either of the two methods authorized herein, they being the "add on" method or the "discount" method, in such case such rate shall be further described as to the method of computation to be used, but interest computed by either method shall be stated to the borrower as provided in section 537.3210.

The limitation on interest rate which is contained in this subsection shall not apply to any loan in which the borrower is a corporation or investment trust or any other person who is referred to in subsection two (2) of section five hundred thirty-five point two (535.2) of the Code.

Sec. 20. Chapter five hundred thirty-seven (537), article two (2), Code 1977, is temporarily amended, commencing on

the effective date of this Act and until July 1, 1979, by adding the following new section:

NEW SECTION. MOBILE HOME LOANS. Notwithstanding the maximum finance charges specified in this chapter of the Code, the maximum finance charge which may be charged for money loaned to a borrower who furnishes as security for all or part of the loan, a mobile home occupied or to be occupied by the borrower as a dwelling shall be as follows:

1. For a new mobile home, three percentage points per year above the usury rate in effect under section five hundred thirty-five point two (535.2) of the Code on the day the loan is made, calculated according to the actuarial method, on the unpaid balance of the amount financed.

2. For a used mobile home, five percentage points per year above the usury rate in effect under section five hundred thirty-five point two (535.2) of the Code on the day the loan is made, calculated according to the actuarial method, on the unpaid balance of the amount financed.

Sec. 21. Section five hundred thirty-seven point one thousand three hundred one (537.1301), subsection fifteen (15), paragraph b, subparagraph two (2), Code 1977, is amended to read as follows:

(2) A loan secured by an interest in land if the security interest is bona fide and not for the purpose of circumvention or evasion of this chapter and the finance charge ~~does not exceed twelve percent per year,~~ calculated according to the actuarial method on the assumption that the debt will be paid according to the agreed terms and will not be paid before the end of the agreed term, does not exceed the rate of interest permitted under chapter five hundred thirty-five (535) of the Code.

Sec. 22. Section five hundred thirty-seven point one thousand three hundred one (537.1301), subsection twenty (20), paragraph a, subparagraph one (1), Code 1977, is temporarily amended, commencing on the effective date of this Act and until July 1, 1979, to read as follows:

(1) Interest or any amount payable under a point, discount or other system of charges, however denominated, except that ~~with respect to a consumer loan secured by a first lien on a dwelling of the debtor given to finance the acquisition of that dwelling, points, consisting of a charge paid in cash at the time of commitment or closing of a loan transaction or~~ with respect to a consumer credit sale of goods or

services, a cash discount of five percent or less of the stated price of goods or services which is offered to the consumer for payment by cash, check or the like either immediately or within a period of time, shall not be part of the finance charge for the purpose of determining maximum charges pursuant to section 537.2401 ~~and chapters 5247-5347 and 535~~. A cash discount permitted by this subparagraph shall not be considered part of the finance charge for the purpose of determining compliance with Truth in Lending pursuant to section 537.3201 if it is properly disclosed as required by the Truth in Lending Act as amended to and including October 28, 1975 and regulations issued pursuant to that Act as so amended prior to October 28, 1975.

Sec. 23. Chapter five hundred thirty-three (533), Code 1977, is amended by adding the following temporary new section:

NEW SECTION. Each credit union which on June 28, 1978, the date on which the supreme court of the state of Iowa held share drafts to be illegal, had in operation third party demand type accounts for its members, whether or not interest bearing, and commonly known or referred to as share draft accounts, may continue to provide that service to its members until terminated by order of the superintendent of banking or the administrator of the credit union department as provided in this section; provided, however, that as a condition of providing such service the credit union shall comply with the reserve requirements established pursuant to this section.

Commencing on the effective date of this Act the superintendent of banking, and commencing on January 1, 1979, the administrator of the credit union department, shall have the continuing duty to provide by rule for legal reserve requirements with respect to credit unions maintaining third party demand type accounts which are subject to this section in such amounts as may be necessary to protect the financial soundness of those credit unions and their members. Such legal reserves shall be in addition to the reserve requirements established by or under the authority of section five hundred thirty-three point seventeen (533.17) of the Code. However, any such rule shall not require a reserve amount for any credit union which for any calendar month exceeds the quotient of one hundred twenty-five percent of the aggregate amount actually paid by the credit union during the preceding calendar month in satisfaction of drafts issued by members against third party demand type accounts divided by the number of

days during that preceding calendar month on which payments in satisfaction of share drafts actually were made by the credit union. Reserves shall be held in an account established for that purpose in the corporate central credit union.

Until January 1, 1979, the superintendent of banking, and commencing January 1, 1979, the administrator of the credit union department, shall provide by rule for the discontinuance of the use of third party demand type accounts in an orderly manner and according to such procedures as shall protect the financial integrity of credit unions and their members. Third party demand type accounts in credit unions shall be terminated in this state effective April 15, 1979, but no rule issued by the superintendent of banking or the administrator of the credit union department shall require the termination of such accounts prior to February 1, 1979.

Sec. 24. The legislative council shall create a study committee consisting of such number of members as specified by the legislative council who shall represent both houses and political parties of the general assembly. The senate members shall be appointed by the majority floor leader of the senate and the house members shall be appointed by the speaker of the house. The study committee shall undertake a study for the purpose of determining the need for legislation relating to share drafts of credit unions. The study committee shall make periodic reports to the legislative council and a final report to the general assembly convening in the year 1979.

Sec. 25. Notwithstanding section twenty-seven (27) of this Act, sections one (1) through ten (10) of this Act shall take effect January 1, 1979.

Sec. 26. It is the intent of the general assembly in enacting this Act that the provisions of this Act except sections one (1) through ten (10) of this Act and except subsection two (2) of section five hundred thirty-five point two (535.2) of the Code as amended by section eleven (11) of this Act and except paragraphs b and c of subsection three (3) of section five hundred thirty-five point two (535.2) of the Code as amended by section eleven (11) of this Act and except sections eighteen (18) and twenty-one (21) of this Act shall have temporary effect only, and that the laws of this state as they existed prior to amendment by the provisions of this Act other than the provisions contained in sections

one (1) through ten (10), and in subsection two (2) of section five hundred thirty-five point two (535.2) of the Code as amended by section eleven (11), and in paragraphs b and c of subsection three (3) of section five hundred thirty-five point two (535.2) of the Code as amended by section eleven (11), and in sections eighteen (18) and twenty-one (21) of this Act, shall be the laws of this state on and after July 1, 1979.

Sec. 27. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Waterloo Courier, a newspaper published in Waterloo, Iowa, and in The Hawk Eye, a newspaper published in Burlington, Iowa.

Approved July 26, 1978

I hereby certify that the foregoing Act, House File 2467, was published in The Waterloo Courier, Waterloo, Iowa, on July 28, 1978, and republished on August 2, 1978, and in The Hawk Eye, Burlington, Iowa, on July 28, 1978, and republished on August 2, 1978.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 1190A

SOYBEAN PROMOTION FUND

S. F. 2020

AN ACT relating to the remission of excess funds from the soybean promotion fund.

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

Section 1. Section one hundred eighty-five point twenty-nine (185.29), Code 1977, is amended to read as follows:

185.29 REMISSION OF EXCESS FUNDS. After the costs of elections, referendum, necessary board expenses and administrative costs have been paid, at least seventy-five percent of the remaining funds in the soybean promotion fund shall be remitted to such organizations as the Iowa soybean association, and the American soybean association ~~and the American soybean institute~~ for market development activities to include developing and expanding new markets for soybeans and soybean products worldwide. The funds can only be used for research, promotion, and education in co-operation with agencies who are equipped to do this kind of work.

Sec. 2. Notwithstanding the provisions of section one hundred eighty-five point twenty-nine (185.29) of the Code, not more than three hundred thousand dollars of the funds in the soybean promotion fund may be made available for relocating the American soybean association within the state of Iowa.

Sec. 3. Any funds allocated by this Act that are not obligated or encumbered by January 1, 1980, shall revert to the Iowa soybean promotion fund.

Approved August 2, 1978

This Act was passed by the G.A. before July 1, 1978.

CHAPTER 1190B
RECORDING INSTRUMENTS

S. F. 397

AN ACT to increase the fee for recording instruments.

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

Section 1. Section three hundred thirty-five point fourteen (335.14), Code 1977, is amended to read as follows:

335.14 FEES. The recorder shall charge and collect the following fees:

1. For recording each instrument, ~~two~~ three dollars and ~~fifty-cents~~ for the ~~first~~ each page or fraction thereof.

~~2. For each additional page or fraction thereof, two dollars.~~

~~3~~ 2. The minimum fee for all deeds and real property mortgages shall be ~~two~~ three dollars and ~~fifty-cents~~.

Approved August 2, 1978

This Act was passed by the G.A. before July 1, 1978.