

publication in the Quad-City Times, a newspaper published in Davenport, Iowa, and in The Waterloo Courier, a newspaper published in Waterloo, Iowa.

Approved March 27, 1979

I hereby certify that the foregoing Act, Senate File 158, was published in The Waterloo Courier, Waterloo, Iowa on March 30, 1979, and republished April 6, 1979, and in the Quad-City Times, Davenport, Iowa on March 30, 1979, and republished April 4, 1979 and republished April 12, 1979.

MELVIN D. SYNHORST, *Secretary of State*

CHAPTER 131
SMALL LOAN MAXIMUM

H. F. 2

AN ACT increasing the maximum lending limit of a small loan company to two thousand dollars.

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

Section 1. Section five hundred thirty-six point one (536.1), Code 1979, is amended to read as follows:

536.1 LICENSE AND RIGHTS THEREUNDER--FACE-TO-FACE SOLICITATION. With respect to a loan other than a consumer loan, no person, copartnership, association, or corporation shall engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of ~~one~~ two thousand dollars or less and charge, contract for, or receive on any such loan a greater rate of interest or consideration therefor than the lender would be permitted by law to charge if he or she were not a licensee hereunder except as authorized by this chapter and without first obtaining a license from the superintendent of banking, hereinafter called the superintendent. With respect to a consumer loan, a person required by section 537.2301 to have a license shall not engage in the business of making loans of money, credit, goods or things in action in the amount or value of ~~one~~ two thousand dollars or less and charge, contract for, or receive on any such loan a greater rate of interest or consideration therefor than the lender would be permitted by law to charge if he or she were not a licensee hereunder, except as authorized by this chapter and without first obtaining a license from the superintendent. A person who enters into less than ten supervised loans per year in this state and who neither has an office physically located in this state nor engages in face-to-face solicitation in this state may contract for and receive the rate of interest permitted in this chapter for licensees hereunder. A "consumer loan" shall be as defined in section 537.1301.

Sec. 2. Section five hundred thirty-six point thirteen (536.13), subsection five (5), Code 1979, is amended to read as follows:

5. Every licensee hereunder may lend any sum of money not exceeding ~~one~~ two thousand dollars in amount and may charge, contract for, and receive thereon interest or charges at a rate not exceeding the maximum rate of interest or charges determined and fixed by the board under authority of this section or by the provisions of the preceding subsection 4.

Sec. 3. Section five hundred thirty-six point fifteen (536.15), Code 1979, is amended to read as follows:

536.15 USURY--LIMITATION ON PRINCIPAL LOAN. No licensee shall directly or indirectly charge, contract for, or receive any interest or consideration greater than the lender would be permitted by law to charge if he or she were not a licensee hereunder upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit, of the amount or value of more than ~~one~~ two thousand dollars. The foregoing prohibition shall also apply to any licensee who permits any person, as borrower or as endorser, guarantor, or surety for any borrower, or otherwise, to owe directly or contingently or both to the licensee at any time the sum of more than ~~one~~ two thousand dollars for principal.

Sec. 4. This Act is effective January first following its enactment.

Approved June 6, 1979

CHAPTER 132

ALTERNATIVE MORTGAGE INSTRUMENTS

H. F. 658

AN ACT to authorize real property loans secured by alternative mortgage instruments.

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

Section 1. Title twenty-three (XXIII), Code 1979, is amended by adding sections two (2) through fifteen (15) of this Act as a new chapter.

Sec. 2. NEW SECTION. DEFINITIONS. As used in this chapter, unless the context otherwise requires:

1. "Lender" means a bank, savings and loan association or credit union which is organized under the laws of this state or of the United States and which is authorized to engage in business in this state.

2. "Mortgage instruments" means and includes all documents which are evidence of the existence of a loan and of the obligations of the lender and the borrower.

3. "Regulatory agency" means as follows:

a. With respect to banks, the superintendent of banking.

b. With respect to savings and loan associations, the supervisor of savings and loan associations.