

denomination having, as such, any peculiar an unusual mode of entering the marriage relation; but each and every denomination and religious society thus exempted from the duties on the part of their members as to procuring a marriage license, before they allow such marriage relation to be entered into in their church, meeting or society, shall require and ascertain that a certificate as provided by chapter 596 has been filed in the office of the clerk of the court; in the county where such marriage ceremony is to take place; and the clerk of the district court shall not make any record or certificate regarding such marriage or marriage ceremony until such certificate has been filed in his office, as provided in section 596.2.

Sec. 3. Section 141.4 and chapter 596, Code 1981, are repealed.

Approved April 30, 1982

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## CHAPTER 1153

### INTEREST PAYMENTS ON FINANCIAL TRANSACTIONS

*S.F. 2195*

**AN ACT** relating to financial transactions involving the payment of interest.

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

Section 1. Section 322.19, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 2. Section 322B.9, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 3. Section 322C.12, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 4. Section 535.2, subsection 2, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. The following persons may agree in writing to pay any rate of interest, and a person so agreeing in writing shall not plead or interpose the claim or defense of usury in any action or proceeding, and the person agreeing to receive the interest is not subject to any penalty or forfeiture for agreeing to receive or for receiving the interest:

(1) A person borrowing money for the purpose of acquiring real property or refinancing a contract for deed.

(2) A person borrowing money or obtaining credit in an amount which exceeds twenty-five thousand dollars, exclusive of interest, for the purpose of constructing improvements on real property, whether or not the real property is owned by the person.

(3) A vendee under a contract for deed to real property.

(4) A domestic or foreign corporation, and a real estate investment trust as defined in section 856 of the Internal Revenue Code, and a person purchasing securities as defined in

chapter 502 on credit from a broker or dealer registered or licensed under chapter 502 or under the Securities Exchange Act of 1934, 15 U.S.C., chapter 78A, as amended.

(5) A person borrowing money or obtaining credit for business or agricultural purposes, or a person borrowing money or obtaining credit in an amount which exceeds twenty-five thousand dollars for personal, family, or household purposes. As used in this paragraph, "agricultural purpose" means as defined in section 535.13, and "business purpose" includes but is not limited to a commercial, service, or industrial enterprise carried on for profit and an investment activity.

b. In determining exemptions under this subsection, the rules of construction stated in this paragraph apply:

(1) The purpose for which money is borrowed is the purpose to which a majority of the loan proceeds are applied or are designated in the agreement to be applied.

(2) Loan proceeds used to refinance or pay a prior loan owed by the same borrower are applied for the same purposes and in the same proportion as the original principal of the loan that is refinanced or paid.

(3) If the lender releases the original borrower from all personal liability with respect to the loan, loan proceeds used to pay a prior loan by a different borrower are applied for the new borrower's purposes in agreeing to pay the prior loan.

(4) If the lender releases the original borrower from all personal liability with respect to the loan, the assumption of a loan by a new borrower is treated as if the new borrower had obtained a new loan and had used all of the proceeds to pay the loan assumed.

(5) This paragraph does not modify or limit section 535.8, subsection 2, paragraph c or e.

(6) With respect to any transaction referred to in paragraph a of this subsection, this subsection supersedes any interest-rate or finance-charge limitations contained in the Code, including but not limited to this chapter and chapters 321, 322, 524, 533, 534, 536A, and 537.

Sec. 5. Section 535.2, subsection 4, Code 1981, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** Notwithstanding paragraph a, when a written agreement providing for the repayment of money loaned, and requiring the payment of over fifty percent of the initial principal amount of the loan as a single payment due at the end of the term of the agreement is extended, renewed, or otherwise amended by the parties on or after August 3, 1978, the parties may agree to the payment of interest from the effective date of the extension, renewal, or amendment, at a rate and in a manner that is lawful for a new agreement made on that date.

Sec. 6. Section 535.11, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 7. Section 535.13, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 8. Section 536A.23, subsection 1, unnumbered paragraph 1, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 9. Section 537.1301, subsection 12, paragraph a, subparagraph (5), Code 1981, is amended to read as follows:

(5) With respect to a sale of goods or services, the amount financed does not exceed ~~thirty-five~~ twenty-five thousand dollars.

Sec. 10. Section 537.1301, subsection 13, paragraph d, Code 1981, is amended to read as follows:

d. The amount payable under the lease does not exceed ~~thirty-five~~ twenty-five thousand dollars.

Sec. 11. Section 537.1301, subsection 14, paragraph a, subparagraph (5), Code 1981, as amended by Acts of the Sixty-ninth General Assembly, 1981 Session, chapter 177, section 3, is amended to read as follows:

(5) Either the amount financed does not exceed ~~thirty-five~~ twenty-five thousand dollars, or the debt is secured by an interest in land.

Sec. 12. Section 537.1301, subsection 14, paragraph b, subparagraph (2), Code 1981, as amended by Acts of the Sixty-ninth General Assembly, 1981 Session, chapter 177, section 3, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 13. Section 537.1301, subsection 19, paragraph a, subparagraph (1), Code 1981, is amended 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 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~~ is not be part of the finance charge for the purpose of determining maximum charges pursuant to section 537.2401. A cash discount permitted by this subparagraph ~~shall~~ is 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 the effective date of this Act and regulations issued pursuant to that Act as so amended prior to October 28, 1975 the effective date of this Act.

Sec. 14. Section 537.1302, Code 1981, is amended to read as follows:

537.1302 DEFINITION—TRUTH IN LENDING ACT. As used in this chapter, "Truth in Lending Act" means title 1 of the Consumer Credit Protection Act, in subchapter 1 of chapter 41 of title 15 of the United States Code, as amended to and including July 1, 1974 the effective date of this Act, and includes regulations issued pursuant to that Act prior to ~~that date~~ the effective date of this Act.

Sec. 15. Section 537.2201, subsection 2, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 16. Section 537.2401, subsection 1, Code 1981, is reenacted and is the law of this state on and after the effective date of this Act, notwithstanding any contrary provision of Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156.

Sec. 17. Section 537.3308, subsection 2, Code 1981, is amended by adding the following new paragraph as paragraph e:

**NEW PARAGRAPH. e.** A consumer loan in which the amount financed exceeds five thousand dollars and is secured by an interest in land.

Sec. 18.

1. Acts of the Sixty-eighth General Assembly, 1980 Session, chapter 1156, section 33, is repealed.

2. Section 535.6, Code 1981, is repealed.

3. Section 535.10, Code 1981, as amended by Acts of the Sixty-ninth General Assembly, 1981 Session, chapter 177, sections 1 and 2, is repealed.