

CHAPTER 187
CONSUMER CREDIT
H.F. 611

AN ACT relating to permissible charges which may be contracted for and received with respect to open-end credit.

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

Section 1. Section 537.1301, subsection 42, Code 1997, is amended to read as follows:

42. "Supervised financial organization" means a person, other than an insurance company or other organization primarily engaged in an insurance business, which is organized, chartered, or holding an authorization certificate pursuant to chapter 524, 533, or 534, or pursuant to the laws of any other state or of the United States which authorizes the person to make loans and to receive deposits, including a savings, share, certificate or deposit account, and which is subject to supervision by an official or agency of this state, such other state, or of the United States.

Sec. 2. Section 537.2202, subsection 1, Code 1997, is amended to read as follows:

1. With respect to a consumer credit sale made pursuant to open end credit, a creditor may contract for and receive a finance charge ~~not exceeding that~~ without limitation as to amount or rate as permitted in this section.

Sec. 3. Section 537.2202, subsection 3, Code 1997, is amended by striking the subsection.

Sec. 4. Section 537.2402, subsection 1, Code 1997, is amended to read as follows:

1. If authorized to make supervised loans, a creditor may contract for and receive a finance charge without limitation as to amount or rate with respect to a loan pursuant to open-end credit ~~not exceeding that~~ as permitted in this section.

Sec. 5. Section 537.2402, subsections 3, 5, and 6, Code 1997, are amended by striking the subsections.

Sec. 6. Section 537.2502, subsection 4, Code 1997, is amended to read as follows:

4. With respect to open-end credit ~~obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer~~, the parties may contract for a delinquency charge on any payment not paid in full when due, as originally scheduled or as deferred, in an amount up to fifteen dollars.

Sec. 7. Section 537.2502, subsections 7 and 8, Code 1997, are amended by striking the subsections.

Approved May 26, 1997