

CHAPTER 115

CONSUMER LOAN APPLICATION FEES

H.F. 263

AN ACT relating to application fees for certain consumer loans.

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

Section 1. [Section 537.2501, subsection 1](#), paragraph j, Code 2019, is amended to read as follows:

j. For a consumer loan where the amount financed does not exceed three thousand dollars and the term of the loan does not exceed twelve months, a bank, credit union incorporated pursuant to state or federal law, or a federally chartered or out-of-state chartered savings bank or savings and loan association may charge an additional application fee not to exceed the lesser of ten percent of the amount financed or thirty dollars. ~~If the loan is not approved, the application fee shall not exceed the lesser of ten percent of the amount applied for by the applicant or thirty dollars.~~ The fee permitted pursuant to this paragraph may be charged solely to applicants who are approved or to all applicants. The fee permitted pursuant to this paragraph shall not be charged in connection with a loan used for the purchase of a motor vehicle, or for a loan where the borrower's dwelling is used as security.

Approved May 10, 2019