

CHAPTER 16

CONSUMER CREDIT TRANSACTIONS AND SERVICE CHARGES

H.F. 235

AN ACT relating to service charges on consumer credit transactions.

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

Section 1. [Section 537.2501, subsection 1](#), paragraph 1, Code 2021, is amended to read as follows:

1. For ~~an interest-bearing~~ a consumer credit transaction, a service charge in an amount not to exceed the lesser of ten percent of the amount financed or thirty dollars.

Sec. 2. [Section 537.2510, subsection 3](#), paragraph a, Code 2021, is amended to read as follows:

a. If the prepayment is in full, the creditor may collect or retain a minimum charge not exceeding five dollars in a transaction which had an amount financed of seventy-five dollars or less, or not exceeding seven dollars and fifty cents in a transaction which had an amount financed of more than seventy-five dollars, if the minimum charge was contracted for, and the finance charge earned at the time of prepayment is less than the minimum charge contracted for. If, however, a creditor has collected a service charge in association with ~~an interest-bearing~~ a consumer credit transaction pursuant to [section 537.2501, subsection 1](#), paragraph "1", the creditor shall not collect or retain a minimum charge upon prepayment pursuant to [this subsection](#).

Approved March 8, 2021