

61—16.1(537) Line of credit.

16.1(1) If a lender commits itself to a line of consumer credit up to an amount in excess of the amount specified in Iowa Code section 537.1301(14)“a”(5), the credit transaction is not subject to Iowa Code chapter 537 whether or not the amount actually advanced at any one time is above or below the amount specified in Iowa Code section 537.1301(14)“a”(5). For purposes of this rule, “line of credit” shall mean an arrangement whereby: (1) The lender or creditor expressly commits itself in writing pursuant to a loan agreement to permit the borrower to borrow money from time to time up to a certain maximum amount specified in the loan agreement, and (2) there is no requirement of additional credit information for any advances.

16.1(2) For purposes of this rule, the “amount financed” in a line of credit is the maximum limit on the line of credit and not the amount of any single advance.

This rule is intended to implement Iowa Code sections 537.1102(2)“f,” 537.1301(4)“b,” 537.1301(14)“a,” and 537.1301(25).