

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House.....
Passed Senate
Failed to Pass Senate.....

House File 45

January 21, 1947.
Banks and Banking.

By DAVIS and SMITH of Clayton.

A BILL FOR

An Act to amend sections five hundred thirty-six point one (536.1), five hundred thirty-six point twelve (536.12), five hundred thirty-six point thirteen (536.13), five hundred thirty-six point fifteen (536.15), five hundred thirty-six point sixteen (536.16), five hundred thirty-six point eighteen (536.18), Code, 1946, relating to chattel loans and loans of less than three hundred dollars, to provide for an increase in the amount of loans to one thousand dollars and for the regulation of the same, to define the powers of the state banking board, and to provide for the interest rates.

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

1 Section 1. Section five hundred thirty-six point one
2 (536.1), Code, 1946, is amended by striking from lines five
3 (5) and six (6) thereof the words "three hundred" and by
4 substituting in lieu thereof the words "one thousand".

1 Sec. 2. Section five hundred thirty-six point twelve
2 (536.12), Code, 1946, is amended by striking from lines
3 nine (9) and ten (10) thereof the words "three hundred"
4 and by substituting in lieu thereof the words "one thousand".

1 Sec. 3. Section five hundred thirty-six point
2 thirteen (536.13), Code, 1946, is amended by striking
3 from line six (6) of subsection one (1) thereof the

4 words "small loans" and by substituting in lieu thereof
5 the words "loans of one thousand dollars or less," and
6 by striking the entire subsection four (4) thereof and
7 by substituting in lieu thereof a new subsection four
8 (4) as follows:

9 "After July 4, 1947, and until such further time as
10 a different rate is fixed by the Board, the maximum rate
11 of interest or charges upon such class or classes of small
12 loans shall be two and one-half per centum per month on
13 any part of the unpaid principal balance of the loan not
14 exceeding one hundred fifty dollars, two per centum per
15 month on that part of the unpaid principal balance of the
16 loan in excess of one hundred fifty dollars and not in
17 excess of three hundred dollars, and one per centum per
18 month on any part of the unpaid principal balance of the
19 loan in excess of three hundred dollars. Every licensee
20 may charge, contract for and receive any rate of interest
21 or charges which does not exceed the equivalent of the
22 maximum rates fixed by or pursuant to this section."
23 and by striking from line two (2) of subsection five (5)
24 thereof the words "three hundred" and by substituting in
25 lieu thereof the words "one thousand" and by striking
26 from line three (3) of subsection six (6) thereof the
27 words "one thousand".

1 Sec. 4 Section five hundred thirty-six point
2 fifteen (536.15), Code, 1946, is amended by striking

3 from line eight (8) thereof the words "three hundred"
4 and by substituting in lieu thereof the words "one
5 thousand" and by striking from lines fourteen (14) and
6 fifteen (15) thereof the words "three hundred" and by
7 substituting in lieu thereof the words "one thousand".

1 Sec. 5. Section five hundred thirty-six point
2 sixteen (536.16), Code, 1946, is amended by striking
3 from line two (2) thereof the words "three hundred" and
4 by substituting in lieu thereof the words "one thousand".

1 Sec. 6. Section five hundred thirty-six point
2 eighteen (536.18), Code, 1946, is amended by striking from
3 line nine (9) thereof the words "three hundred" and by
4 substituting in lieu thereof the words "one thousand" and
5 by striking from lines eighteen (18) and nineteen (19)
6 thereof the words "three hundred" and by substituting in
7 lieu thereof the words "one thousand".

1 Sec. 7. The changed maximum rates herein provided
2 for shall not affect preexisting loan contracts lawfully
3 entered into prior to July 4, 1947, between any licensee
4 and any borrower.

EXPLANATION OF H. F. 45

This is an act to reduce the maximum rate of interest or charges permitted on loans not exceeding three hundred dollars to two and one-half per centum per month on that part of the principal balance not exceeding one hundred and fifty dollars and two per centum per month on that part of the principal balance exceeding one hundred and fifty dollars but not exceeding three hundred dollars; to provide for the regulation of the business of making loans of one thousand dollars or less; and to provide that the maximum rate of interest or charges permitted on loans not exceeding one thousand dollars shall be two and one-half per centum per month on that part of the principal balance not exceeding one hundred and fifty dollars, two per centum per month on that part of the principal balance exceeding one hundred and fifty dollars but not exceeding three hundred dollars and one per centum per month on any remainder of the principal balance.