

January 23, 1963.
Judiciary 1. *Pass as amended 3/12*

House File 62
By RILEY and DIETZ.

Passed House, Date *4-26-63*

Passed Senate, Date.....

Vote: Ayes *86* Nays *9*

Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act to regulate industrial loan companies, to provide for the licensing of such businesses, to specify the powers of industrial loan companies, to prescribe penalties for violations and to provide for the administration and enforcement of the Act.

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

1 Section 1. Title. This Act may be referred to as the "Iowa

2 Industrial Loan Law."

1 Sec. 2. Definitions. The following words and terms when

2 used in this Act shall have the following meanings unless the

3 context clearly requires a different meaning:

4 (a) "Corporation" shall mean any corporation for pecuniary

5 profit organized under the laws of the State of Iowa.

6 (b) "License" shall mean a permit or authorization issued

7 or required under the provisions of this Act to make loans in

8 accordance with this Act at a single location or place of business.

9 (c) "Licensee" shall mean a corporation to which a license

10 has been issued.

11 (d) "Auditor" shall mean the Auditor of State of the State

12 of Iowa.

13 (e) "Industrial Loan Company" shall mean a corporation operating

14 under the provisions of this Act and engaged in the business of

15 loaning money to be repaid in one payment or in weekly, monthly or

16 other periodic installments and the charging, receiving or

requiring of interest, discount, fees, compensation or charges of

18 whatever nature or kind for the use of such money and for the
19 services to be rendered to the borrower in connection with the loan.

20 The term "Industrial Loan Company" shall not include those
21 businesses specifically exempted in Sec. 5 of this Act.

1 Sec. 3. License. No corporation shall engage in the business
2 of operating an "Industrial Loan Company" in the State of Iowa
3 without first having obtained a license from the Auditor of the
4 State of Iowa.

1 Sec. 4. Limitations. No license shall be issued to any
2 individual, partnership, non-profit organization or unincorporated
3 association. No corporation shall be licensed for more than one
4 place of business or at more than one location.

1 Sec. 5. Exemptions. The provisions of this Act shall not
2 apply to businesses organized or operating as permitted under
3 the authority of any law of this state, or of the United States,
4 relating to banks, trust companies, building and loan associations,
5 savings and loan associations, insurance companies, small loan
6 companies organized under the provisions of Chapter five hundred
7 thirty-six (536) of the Code of Iowa or credit unions; nor shall
8 the provisions of this Act apply to persons, firms or corporations
9 that make no loans excepting on notes secured by first mortgages
10 on real estate, nor shall the provisions of this Act apply to
11 licensed real estate brokers or salesmen, persons or corporations
12 engaged exclusively in the business of purchasing commodity
13 financing or commercial paper, pawn brokers or persons engaged
14 in the mercantile business.

1 Sec. 6. Administration. The Auditor of the State of Iowa
2 is hereby vested with the power, authority and duty to supervise
3 the operation of Industrial Loan Companies in the State of Iowa

4 in accordance with the provisions of this Act.

1 Sec. 7. Application for license. Applications for licenses
2 to engage in the business of operating industrial loan companies
3 shall be in writing on such forms as may be prescribed by the
4 Auditor. The application shall give the name of the corporation,
5 the location where the business is to be conducted, the street
6 address of the place of business, the names and addresses of the
7 officers and directors of the corporation and such other relevant
8 information as the Auditor shall require. At the time of making
9 such application the applicant shall pay to the Auditor the sum
10 of fifty dollars (\$50.00) to cover the cost of the investigation
11 of the applicant. The applicant shall also pay to the Auditor
12 the sum of fifty dollars (\$50.00) as an annual license fee for
13 the period ending December 31st next following the application;
14 provided that if the license is granted after June 30th in any
15 year, the license fee for the remainder of that year shall be
16 twenty-five dollars (\$25.00) and any license fee paid by the
17 applicant in excess of that amount shall be refunded by the
18 Auditor.

1 Sec. 8. Capital stock requirement. The paid in capital stock
2 of any corporation engaged in the business of operating an
3 Industrial Loan Company shall not be less than twenty-five thousand
4 dollars (\$25,000) when the corporation is transacting business in
5 any city or town having less than twenty-five thousand inhabitants
6 according to the last preceding decennial census. The paid in
7 capital stock of any corporation engaged in the business of operating
8 an Industrial Loan Company in any city having a population of
9 more than twenty-five thousand inhabitants according to the last
10 preceding decennial census shall not be less than fifty thousand

11 dollars (\$50,000). The paid in capital stock of any corporation
12 engaged in the business of operating an Industrial Loan Company
13 outside the limits of any incorporated city or town shall not be
14 less than fifty thousand dollars (\$50,000). Every corporation
15 engaged in the industrial loan business in the State of Iowa shall
16 have a surplus of not less than ten per cent of its paid in
17 capital stock.

1 Sec. 9. Notice to existing licensees. Upon the filing of an
2 application for a license to engage in the business of operating
3 an industrial loan company the Auditor shall mail to all licensed
4 industrial loan companies in the county where the applicant requests
5 authority to conduct its business, a notice that an application
6 has been filed, stating the name of the applicant and the address
7 of the location where the applicant proposes to conduct its business.
8 Within fifteen (15) days from the date of mailing of such notice
9 existing industrial loan company licensees may file with the
10 Auditor written objections to the approval of the application.

1 Sec. 10. Investigation of application. Upon the filing of
2 an application for a license to engage in the business of operating
3 an industrial loan company, and upon payment of the investigation
4 fee and license fee as required by Section 6 of this Act, the
5 Auditor shall cause an investigation to be made of the applicant
6 and of the facts set forth in the application. If objections to
7 the application have been filed by an existnig industrial loan
8 company licensee, if the applicant files a written request for a
9 hearing or if as the result of his preliminary investigation the
10 Auditor deems it proper, the Auditor may hold a hearing at a
11 time and place designated by him for the purpose of completing
12 his investigation. In the event such a hearing is held, reasonable

13 notice shall be given to the applicant and to existing industrial
14 loan company licensees with objections on file.

1 Sec. 11. Issuance of license. If the Auditor shall find
2 (a) that the financial responsibility, experience, character
3 and general fitness of the applicant and of the officers thereof
4 are such as to command the confidence of the community, and to
5 warrant the belief that the business will be operated honestly,
6 fairly and efficiently within the purpose of this Act; (b) that
7 a reasonable necessity exists for a new industrial loan company
8 in the community to be served; (c) that it can be established
9 and operated without undue injury to existing industrial loan
10 companies in the community; (d) that the applicant has available
11 for the operation of the business at the specified location paid
12 in capital and surplus as required by Section 8 of this Act; and
13 (e) that the applicant is a corporation organized for pecuniary
14 profit under the laws of the State of Iowa, the Auditor shall
15 approve the application and issue to the applicant a license to
16 engage in the industrial loan business in accordance with the
17 provisions of this Act. The Auditor shall approve or deny an
18 application for a license within one hundred twenty (120) days
19 from the date of the filing of such application.

1 Sec. 12. Denial of license. If the Auditor shall not
2 approve the application, he shall prepare a written denial of
3 the application with a written finding of facts which shall be
4 sent by certified mail to the applicant. Within ten (10) days
5 after the date of mailing of the notice of the denial of its
6 application, the applicant may file with the Auditor a written
7 demand for a hearing on the application. Upon such demand being
8 made, the Auditor must within thirty (30) days hold a formal

9 hearing at his office in Des Moines, Iowa, notice of the time of
10 which hearing shall be given by the Auditor to the applicant by
11 mail within fifteen (15) days after the filing of the written
12 demand by the applicant. Notice of the time and place of hearing
13 shall also be given by the Auditor to all licensees who have filed
14 written objections with the Auditor. At the formal hearing after
15 the original denial of the license by the Auditor the applicant
16 shall be entitled to present evidence in support of his application.
17 The Auditor shall then grant or deny the application for a license
18 within thirty (30) days from the date of the conclusion of the
19 formal hearing and give notice to the applicant by a decision and
20 finding of facts in writing. If the application for a license
21 is disapproved and a license is denied the Auditor shall refund
22 the annual license fee which was required to be deposited by Section
23 6 of this Act. The decision and finding of facts of the Auditor
24 shall not become effective if any applicant within thirty (30)
25 days from issuance of such decision and finding of facts, shall
26 appeal to the District Court of Polk County, Iowa. The district
27 court shall have power to enter such orders as justice shall
28 require, and shall set aside the decision of the Auditor if it
29 is found that (a) the Auditor acted arbitrarily, capriciously
30 or in excess of his power, (b) the decision was obtained by fraud,
31 or (c) the decision was contrary to law.

1 Sec. 13. Continuing license—annual fee—removal. Each
2 such license shall remain in full force and effect until surrendered
3 revoked or suspended. Every licensee shall, on or before the
4 second day of January, pay to the Auditor the sum of fifty dollars
5 (\$50.00) as an annual license fee for the succeeding calendar
6 year. When a licensee shall change its place of business from one

7 location to another in the same city or town it shall at once give
8 written notice thereof to the Auditor who shall attach to the
9 license in writing his record of the change and the date thereof,
10 which shall be authority for the operation of such business under
11 such license at the new place of business.

1 Sec. 14. Books and records. Each industrial loan company shall
2 keep such books, accounts and records as will enable the Auditor
3 to determine whether or not the licensee is complying with the
4 provisions of this Act. Such books and records shall be kept in
5 accordance with sound and accepted accounting principles and
6 practices. Each industrial loan company shall preserve the books,
7 accounts and records for at least two (2) years after making the
8 final entry on any loan recorded therein.

1 Sec. 15. Annual report. Each licensee shall annually on or
2 before the fifteenth day of March file with the Auditor a report
3 in writing showing the results of the operation of its industrial
4 loan business for the previous calendar year, which report shall
5 contain (a) a balance sheet showing all assets and liabilities
6 as of the thirty-first day of December next preceding; (b) an
7 operating statement showing income, expenses and net profit for
8 the previous calendar year and (c) such other relevant information
9 as the Auditor shall reasonably require. The report shall be
10 verified under oath by the president and secretary of the corporation.
11 The Auditor shall make and publish annually an analysis and
12 recapitulation of such reports.

1 Sec. 16. Examination of licensees. The Auditor or his duly
2 authorized representative shall, at least once each year without
3 previous notice, examine and audit the books, accounts and
4 records of each licensee engaged in the industrial loan business :

5 as defined by this Act. Any licensee, in lieu of such examination
6 and audit by the Auditor or his duly authorized representative,
7 at the option of the Auditor, may be audited at the expense of the
8 licensee by a certified public accountant licensed to practice
9 in the State of Iowa. After receiving such an audit the Auditor
10 may make such further examination of the licensee as he may deem
11 necessary. A record of each examination shall be kept in the
12 Auditor's office. Such examinations and reports, and other informa-
13 tion connected therewith, shall be kept confidential in the
14 office of the Auditor and shall not be subject to publication
15 or disclosure to others except as in this chapter provided. The
16 licensee shall be charged and shall pay the actual costs of the
17 examination.

1 Sec. 17. Cease and desist orders. Whenever the Auditor has
2 reasonable cause to believe that any licensee is violating any
3 provision of this Act, he may, after ten days advance written
4 notice, in addition to all actions provided for in this Act, and
5 without prejudice thereto, enter an order requiring such licensee
6 to cease, desist and refrain from such violation. After mailing
7 of the advance written notice as provided above, any licensee
8 within five days from the mailing of such notice may file with
9 the Auditor a written demand for a hearing. Such hearing shall
10 promptly be held in the office of the Auditor and no cease and
11 desist order shall be issued until after the hearing during which
12 the licensee shall be entitled to present evidence and the testimony
13 of witnesses.

1 Sec. 18. Injunctions. The Auditor may commence an action
2 in any court of competent jurisdiction, in the name of the State
3 of Iowa as plaintiff on the relation of such Auditor to restrain

4 and enjoin any licensee from violating the provisions of this Act
5 or to restrain and enjoin any person, co-partnership, firm or
6 corporation from engaging in the business of operating an industrial
7 loan company without obtaining a license as required by this
8 Act.

1 Sec. 19. Revocation or suspension of license. The Auditor,
2 upon giving ten (10) days advance written notice to the
3 licensee by certified mail stating his contemplated action and
4 the grounds thereof, and after giving the licensee an opportunity
5 to be heard, may by order in writing suspend or revoke any license
6 issued under the provisions of this Act, if the Auditor shall
7 find (a) that the licensee has failed to pay the annual license
8 fee required by this Act, (b) that the licensee knowingly has
9 violated any of the provisions of this Act, (c) that the licensee
10 has refused to submit to the examination required by this Act, (d)
11 that the licensee has neglected or refused for a period of more
12 than thirty days to pay a final judgment rendered against it in
13 the courts of this state, or (e) that the licensee has become
14 insolvent, provided however, that no suspension, revocation,
15 relinquishment or expiration of any license shall invalidate,
16 impair or affect the legality of obligations of any pre-existing
17 contracts, or prevent the enforcement and collection thereof;
18 and provided further that any such suspension or revocation shall
19 not become final if any licensee, within thirty (30) days from
20 entry of such order suspending or revoking its license appeals
21 to the district court of Polk County, Iowa. The district court
22 of Polk County, Iowa, shall have the power to enter such order
23 as justice shall require pending the hearing of such appeal, and
24 shall set aside the order or decision of the Auditor if it be

25 found that (a) the Auditor acted arbitrarily, capriciously or in
26 excess of his power, (b) the order or decision was obtained by
27 fraud, or (c) the order or decision is contrary to law.

1 Sec. 20. Receivership—Liquidation. If the Auditor shall
2 revoke the license of any industrial loan company he shall
3 promptly report the revocation to the attorney general of Iowa
4 who may apply to the district court of the county in which the
5 licensee had conducted its business for the appointment of a
6 receiver to take possession of the assets of the corporation for
7 the purpose of liquidating its affairs.

1 Sec. 21. Advertising. No industrial loan company shall
2 advertise, print, display, publish, distribute, broadcast or
3 disseminate in any manner any false, misleading or deceptive
4 statements or representations concerning rates, terms or conditions
5 for making or negotiating loans under this chapter. Violations
6 of any of the provisions of this paragraph shall be punishable as
7 provided in section seven hundred thirteen point twenty-four (713.24)
8 of the Code of Iowa.

1 Sec. 22. Other business in same office. A licensee engaged
2 in the business of operating an industrial loan company under
3 the provisions of this Act may conduct its business within any
4 office, room, suite or place of business in which any other
5 business is engaged in or conducted, except as may be restricted
6 in writing by the Auditor upon his finding that the character of
7 the other business is such that its operation by the licensee
8 would facilitate evasions of this Act or any other statute of
9 the State of Iowa relating to the making of loans.

1 Sec. 23. Thrift Certificates. Licensed industrial loan
2 companies may sell thrift certificates, installment thrift certifi-

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3 cates, certificates of indebtedness, promissory notes or similar
4 evidences of indebtedness. The total amount of such thrift
5 certificates, installment thrift certificates or promissory
6 notes outstanding and in the hands of the general public shall
7 not at any time exceed ten (10) times the total amount of
8 capital, surplus, undivided profits and subordinated debt that
9 gives priority to such thrift certificates of the issuing industrial
10 loan company. The sale of such securities shall be subject to
11 the provisions of Chapter five hundred two (502) of the Code of
12 Iowa unless exempted in accordance with the provisions of Chapter
13 five hundred two (502) of the Code of Iowa.

1 **Sec. 24. Powers of industrial loan companies. No industrial**
2 loan company licensed under the provisions of this Act shall
3 have the power and authority to:

4 (a) Charge, receive or collect interest in excess of that
5 authorized by Section five hundred thirty-five point two (535.2)
6 of the Code of Iowa, except that on obligations or loans repayable
7 within thirty-seven months from the date of making, the interest
8 may be discounted or collected in advance at the time the loan
9 is made, notwithstanding any agreement to pay the loan in
10 installments;

11 (b) Charge, receive or collect interest in excess of that
12 authorized by Section five hundred thirty-five point two (535.2)
13 of the Code of Iowa, except that on obligations or loans maturing
14 more than thirty-seven months from the date of making, the interest
15 may be computed at the time the loan is made, on the full amount
16 of the cash advance on the loan, from the date of the loan to
17 the date of the final maturing installment on the loan, and the

18 interest so computed may be added to the cash advance, notwith-
19 any agreement to pay the entire total amount in installments;
standing

20 (c) Charge, receive or collect in advance a service charge
21 in an amount in excess of one dollar (\$1.00) for each twenty-five
22 dollars (\$25.00) of the amount of the loan nor in excess of a
23 total of forty dollars (\$40.00); and no industrial loan company
24 shall charge, contract for, collect or receive the service charge
25 authorized by this section on any loan or contract which is renewed
26 or rewritten within four months of the date of the original loan,
27 nor on that part of a new loan or contract used to pay off a prior
28 loan before the expiration of four months from the date of the
29 preceding loan or contract;

30 (d) Charge or collect from the borrower or borrowers a
31 delinquency charge in excess of five cents per dollar or a
32 fraction thereof on any installment or debt past due when the
33 default continues for ten (10) days or more;

34 (e) Charge or collect from the borrower or borrowers an
35 extension or deferment charge except on extensions of sixty (60)
36 days or more and then not in excess of one per cent of the balance
37 of the loan at the time of extension or deferment.

38 (f) Require any borrower to purchase insurance from the
39 lender as a condition for obtaining a loan. However, an industrial
40 loan company may collect from the borrower, at the option of the
41 borrower, and retain the premiums charged for insuring real or
42 personal property used by the borrower as security for a loan;
43 and the premiums charged for insuring the life of the party or
44 parties obligated on the loan in an amount not to exceed the total
45 amount of the note or contract, including cash advance, interest
46 and service charge, provided that no licensee shall require that

47 the contract of life insurance be outstanding for more than the
48 unpaid balance of the indebtedness and provided that such insurance
49 is obtained from an insurance company authorized to do business
50 in Iowa; and an industrial loan company may receive and retain
51 the premiums charged for accident and health insurance on the
52 borrower or borrowers, provided such insurance bears a reasonable
53 relationship to the existing hazards or risk of loss, and the
54 aggregate benefits of which shall not exceed the approximate
55 amount of the contractual payments on the loan.

56 (g) Collect from the borrower fees in excess of those actually
57 paid to a public official for recording or filing a mortgage
58 or for satisfying a judgment or lien on any real or personal
59 property securing a loan, however, a licensee may collect a
60 reasonable appraisal fee for the appraisal of real or personal
61 property offered by the borrower as security for a loan, and may
62 collect from the borrower a reasonable attorney's fee paid for an
63 opinion as to the title to real property securing a loan.

64 Industrial loan companies licensed under the provisions of this
65 Act may purchase notes, contracts, mortgages, accounts, receivables,
66 leases and securities of every kind; and may exercise the powers
67 granted to corporations under the "Iowa Business Corporation Act."

1 Sec. 25. Restrictions. No industrial loan company licensed
2 under this Act shall (a) make any loan of money or property to,
3 or guarantee the obligation of, any of its directors or officers;
4 or loan to any borrower, other than a subsidiary or affiliated
5 corporation, more than twenty per cent of its total capital, surplus
6 and undivided profits. No licensee shall make any loan under any
7 other name or at any other place of business than that named in
8 the license.

1 Sec. 26. Prepayment. Notwithstanding the provisions of any
2 note or contract to the contrary, a borrower may, at any time,
3 prepay all or any part of the unpaid balance to become payable
4 under any note or installment contract. If the borrower pays the
5 time balance in full, before maturity, the licensee shall refund
6 to him a portion of the interest. The borrower shall receive for
7 such anticipation of payments a refund credit in an amount which
8 shall represent at least as great a proportion of the interest as
9 the sum of the periodic time balances after the month in which
10 prepayment is made, bears to the sum of all the periodic time
11 balances under the schedule of payments in the original note or
12 installment investment certificate; provided however, that no
13 refund credit need be paid on the service charge; and provided
14 that if the amount of the refund credit is less than one dollar
15 (\$1.00) no refund need be made.

1 Sec. 27. Existing industrial loan companies. A corporation
2 organized under the laws of the State of Iowa shall be licensed
3 by the Auditor without the investigation and determination required
4 by Sections 9 and 10 of this Act, provided (a) that such corporation
5 was engaged in the business of operating an industrial loan
6 company in an established place of business in the State of Iowa
7 on January 1, 1963; and (b) that such corporation has received
8 from the Auditor an Auditor's certificate as required by Section
9 four hundred twenty-nine point thirteen (429.13) of the Code of
10 Iowa. The license referred to in this section shall issue to such
11 corporation at the effective date of this Act. If such corporation
12 transacts the business provided for in this Act at more than one
13 place of business or at more than one location, such license
14 shall apply to and permit business operations under this Act at

15 all of said locations until the first day of January following the
16 effective date of this Act. On said first day of January following
17 the effective date of this Act, licenses shall issue without said
18 investigation and determination, to each corporation that proposes
19 to continue to operate such business commencing on said date,
20 provided such corporations are designated in writing by the first
21 corporation referred to in this section and provided further that
22 all of the capital stock of such corporation so designated is
23 owned and held on said January first by the first corporation
24 referred to in this section or by the stockholders of said
25 corporation.

1 Sec. 28. Penalty. If any officer, director or agent of
2 any corporation engaged in the business of operating an industrial
3 loan company shall knowingly and willfully violate any of the
4 provisions of this Act; or if any person individually or as a
5 partner, or officer, director or agent of any corporation shall
6 engage in the business of operating an industrial loan company
7 without obtaining the license required by Section 3 of this Act,
8 he shall be guilty of a misdemeanor and upon conviction thereof
9 shall be punishable by a fine of not more than five hundred dollars
10 (\$500.00) or by imprisonment in the county jail for not more than
11 six months, or by both such fine and imprisonment.

1 Sec. 29. Rules and regulations. The Auditor is hereby
2 authorized and empowered to make such reasonable and relevant rules
3 and regulations, not inconsistent herewith, as may be necessary
4 for the enforcement of the provisions of this Act.

1 Sec. 30. Repeal. Sections four hundred twenty-nine point
2 eleven (429.11), four hundred twenty-nine point twelve (429.12)
3 and four hundred twenty-nine point thirteen (429.13) of the Code

4 of Iowa are hereby repealed.

1 Sec. 31. Separability. If any provision, clause or phrase
2 of this Act or the application thereof to any person or circumstance
3 is held invalid such invalidity shall not affect other provisions
4 or applications of this Act which can be given effect without the
5 invalid provisions or application, and to this end the provisions
6 of this Act are declared to be separable.

1 Sec. 32. This Act being deemed of immediate importance shall
2 be in full force and effect from and after its publication in
3 the Cedar Rapids Gazette, a newspaper published at Cedar Rapids,
4 Iowa, and in the Waterloo Daily Courier, a newspaper published
5 at Waterloo, Iowa.

EXPLANATION OF HOUSE FILE 62

This bill regulates industrial loan companies of which there are about 180 now operating in Iowa. Generally known as "Morris Plan" type companies, they loan money to individuals and firms whose credit oftentimes prevents their obtaining regular bank loans. The record of these companies in Iowa has been good to date in that no industrial loan company has failed. However, the number of new companies is rapidly increasing and the lack of statutory safeguards regulating this industry subjects the public to much potential harm. Among some of the regulatory features proposed by this bill and which do not exist under present law are minimum capitalization requirements, limits on loans in excess of certain ratios to capitalization, maximum limits on services as well as lending charges, maintenance of books and records and inspection of same by the state auditor's office and prohibition of deceptive advertising.

This bill specifically exempts banks, trust companies, building and loan associations, insurance companies, small loan companies organized under chapter 536, credit unions, persons or firms making loans on notes secured by first mortgages on real estate, licensed real estate brokers or salesmen engaged in the business of purchasing commodity financing paper, pawn brokers or persons engaged in the mercantile business.

HOUSE FILE 62

- 1 Amend House File 62 as follows:
2 1. Amend Section 11 by striking subsections (b) and (c)
3 and inserting in lieu thereof a new subsection (b) as follows:
4 "that permitting the applicant to engage in business at the
5 proposed location would promote the convenience and advantage of
6 the community;" and by re-lettering the remaining subsections.
7 2. Amend Section 23 as follows:
8 (1) By striking from line five (5) the word "or" and
9 inserting in lieu thereof the following: ", certificates of
10 indebtedness,".
11 (2) By inserting in line six (6) after the word "notes"
12 the words "or similar evidence of indebtedness".
13 (3) By striking from line nine (9) the words "thrift
14 certificates" and inserting in lieu thereof the word "securities".
15 3. Amend Section 24 as follows:
16 (1) By inserting in line thirty-two (32) after the words
17 "past due" the following: ", and such charge shall be made
18 only".
19 (2) By placing a period in line sixty-six (66) after the
20 word "kind" and by striking the balance of line sixty-six (66)
21 and all of line sixty-seven (67).

Filed
March 12, 1963.

COMMITTEE ON JUDICIARY 1
JOHN L. MOWRY, Chairman.

- 1 Amend House File 62 as follows:
2 1. Amend section 24, subsection (f), by striking the
3 period in line fifty-five (55) and inserting the following:
4 "; and provided that any person selling such insurance
5 shall be licensed and shall comply with all applicable
6 provisions of the insurance laws."

Filed
April 24, 1963.

FISCHER of Grundy.

- 1 Amend House File 62 as follows:
2 1. Amend section 23 by striking all of line 12 after the word
3 "Iowa" and inserting a period in lieu thereof and by striking line 13.
4 2. Amend section 23 by adding at line 12 the following sentence:
5 "All such evidences of indebtedness and any advertising relating
6 thereto shall plainly and prominently state that they are promissory
7 notes and they shall not be referred to as savings in any context."

Filed
April 24, 1963.

HIRSCH of Warren.

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- 1 Amend House File 62 as follows:
2 1. Amend section 2 by striking lines 11 and 12 and inserting
3 in lieu thereof the following:
4 "(d) 'Superintendent' shall mean the superintendent of banking."
5 2. By substituting the word "superintendent" for the words
6 "auditor" or "auditor of the State of Iowa" wherever the same
7 appear.

Filed *Lost*
April 24, 1963. *4/26*

STEELE of Cherokee.

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- 1 Amend House File 62 as follows:
2 1. Amend section 25 by striking from lines 5 and 6 the words
3 "twenty per cent of its total capital, surplus and undivided profits"
4 and inserting in lieu thereof the words and figures "ten per cent
5 (10%) of its capital and surplus".
6 2. Amend section 25 by adding at the end of line 8 the following:
7 "Loans hereunder shall be made only to deserving persons
8 whose business or circumstances are such as to make it
9 desirable or convenient for them to accumulate funds with which
10 to repay such loans by paying into a fund comparatively small
11 amounts at frequent regular intervals, which fund may be held
12 by the industrial loan company as collateral security for the
13 payment of such loans."

Filed
April 24, 1963.

Lost
4/26
STEELE of Cherokee.