

FILED MAR 2 2005

SENATE FILE 260
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1099)

Passed Senate, Date 3-14-05 Passed House, Date 4-14-05
Vote: Ayes 50 Nays 0 Vote: Ayes 98 Nays 0
Approved April 22, 2005

A BILL FOR

1 An Act relating to debt collection disclosure requirements for
2 certain financial institution affiliates.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SE 260

1 Section 1. Section 537.1301, Code 2005, is amended by
2 adding the following new subsections:

3 NEW SUBSECTION. 2A. "Affiliate" as used in reference to a
4 state bank means the same as defined in section 524.1101.
5 "Affiliate" as used in reference to a national banking
6 association means the same as defined in section 524.1101,
7 except that the term "national banking association" shall be
8 substituted for the term "state bank". "Affiliate" as used in
9 reference to a savings and loan association shall mean the
10 same as defined in 12 C.F.R. § 561.4.

11 NEW SUBSECTION. 17A. "Credit union service organization"
12 means an organization, corporation, or association whose
13 membership or ownership is primarily confined or restricted to
14 credit unions or organizations of credit unions and whose
15 purpose is primarily designed to provide services to credit
16 unions, organizations of credit unions, or credit union
17 members.

18 Sec. 2. Section 537.7103, subsection 4, paragraph b,
19 subparagraph (2), Code 2005, is amended to read as follows:

20 (2) Communications issued directly by a state bank as
21 defined in section 524.103 or its affiliate, a state bank
22 chartered under the laws of any other state or its affiliate,
23 a national banking association or its affiliate, a trust
24 company, a federally chartered savings and loan association or
25 savings bank or its affiliate, an out-of-state chartered
26 savings and loan association or savings bank or its affiliate,
27 a financial institution chartered by the federal home loan
28 bank board, an association incorporated or authorized to do
29 business under chapter 534, a state or federally chartered
30 credit union, a credit union service organization, or a
31 company or association organized or authorized to do business
32 under chapter 515, 518, 518A, or 520, or an officer, employee,
33 or agent of such company or association, provided the
34 communication does not deceptively conceal its origin or its
35 purpose.

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EXPLANATION

This bill relates to debt collection disclosure requirements for state banks, state bank affiliates, national banking association affiliates, savings and loan association and savings bank affiliates, and credit union service organizations under the consumer credit code. Under current law, persons acting as debt collectors must disclose in an initial written communication with a debtor that the debt collector is attempting to collect a debt and any information obtained will be used for that purpose. Under current law, communications issued directly by a state bank acting as a debt collector are not required to include this disclosure. The bill extends this exception for certain financial institutions to include affiliates of state banks, national banking association affiliates, savings and loan association and savings bank affiliates, and credit union service organizations and provides definitions of "affiliate" and "credit union service organization".

Rielly Co-chair
Kettering Co-chair
Stewart
Zawn

SSB# 1099
Commerce

Succeeded By
SF/HF 260
SENATE FILE
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CO-CHAIRPERSON WARNSTADT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to debt collection disclosure requirements for
2 state bank affiliates.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 537.1301, Code 2005, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 2A. "Affiliate" means the same as defined
4 in section 524.1101.

5 Sec. 2. Section 537.7103, subsection 4, paragraph b,
6 subparagraph (2), Code 2005, is amended to read as follows:

7 (2) Communications issued directly by a state bank as
8 defined in section 524.103 or its affiliate, a state bank
9 chartered under the laws of any other state or its affiliate,
10 a national banking association, a trust company, a federally
11 chartered savings and loan association or savings bank, an
12 out-of-state chartered savings and loan association or savings
13 bank, a financial institution chartered by the federal home
14 loan bank board, an association incorporated or authorized to
15 do business under chapter 534, a state or federally chartered
16 credit union, or a company or association organized or
17 authorized to do business under chapter 515, 518, 518A, or
18 520, or an officer, employee, or agent of such company or
19 association, provided the communication does not deceptively
20 conceal its origin or its purpose.

21 EXPLANATION

22 This bill relates to debt collection disclosure
23 requirements for state banks and state bank affiliates under
24 the consumer credit code. Under current law, persons acting
25 as debt collectors must disclose in an initial written
26 communication with a debtor that the debt collector is
27 attempting to collect a debt and any information obtained will
28 be used for that purpose. Under current law, communications
29 issued directly by a state bank acting as a debt collector are
30 not required to include this disclosure. The bill extends
31 this exception for state banks to include affiliates of state
32 banks.

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SENATE FILE 260

AN ACT
RELATING TO DEBT COLLECTION DISCLOSURE REQUIREMENTS FOR
CERTAIN FINANCIAL INSTITUTION AFFILIATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 537.1301, Code 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Affiliate" as used in reference to a state bank means the same as defined in section 524.1101. "Affiliate" as used in reference to a national banking association means the same as defined in section 524.1101, except that the term "national banking association" shall be substituted for the term "state bank". "Affiliate" as used in reference to a savings and loan association shall mean the same as defined in 12 C.F.R. § 561.4.

NEW SUBSECTION. 17A. "Credit union service organization" means an organization, corporation, or association whose membership or ownership is primarily confined or restricted to credit unions or organizations of credit unions and whose purpose is primarily designed to provide services to credit unions, organizations of credit unions, or credit union members.

Sec. 2. Section 537.7103, subsection 4, paragraph b, subparagraph (2), Code 2005, is amended to read as follows:

(2) Communications issued directly by a state bank as defined in section 524.103 or its affiliate, a state bank chartered under the laws of any other state or its affiliate, a national banking association or its affiliate, a trust company, a federally chartered savings and loan association or savings bank or its affiliate, an out-of-state chartered

savings and loan association or savings bank or its affiliate, a financial institution chartered by the federal home loan bank board, an association incorporated or authorized to do business under chapter 534, a state or federally chartered credit union, a credit union service organization, or a company or association organized or authorized to do business under chapter 515, 518, 518A, or 520, or an officer, employee, or agent of such company or association, provided the communication does not deceptively conceal its origin or its purpose.

JOHN P. KIBBIE
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 260, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 4/22, 2005

THOMAS J. VILSACK
Governor