

FILED FEB 22 2006

SENATE FILE 2262  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3022)

Passed Senate, Date 3-6-06  
Vote: Ayes 48 Nays 0

Passed House, Date 3-29-06  
Vote: Ayes 98 Nays 0

Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the prepayment of agricultural loans secured  
2 by a real estate mortgage.

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

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SF 2262

TLSB 5641SV 81

kk/je/5

1 Section 1. Section 535.9, subsection 1, Code 2005, is  
2 amended to read as follows:

3 1. As used in this section, "loan" means a loan of money  
4 which is wholly or in part to be used for the purpose of  
5 purchasing real property which is a single-family or a two-  
6 family dwelling occupied or to be occupied by the borrower, or  
7 which is payable over a term of five years or less for the  
8 purpose of purchasing agricultural land. "Loan" includes the  
9 refinancing of a contract of sale, and the refinancing of a  
10 prior loan, whether or not the borrower also was the borrower  
11 under the prior loan, and the assumption of a prior loan.

12 EXPLANATION

13 This bill relates to the prepayment of loans secured by  
14 real estate mortgages for the purchase of agricultural land.  
15 Code section 535.9 prohibits mortgage lenders from receiving  
16 additional interest other than that due under the terms of the  
17 loan agreement and from imposing penalties for prepayment of a  
18 loan earlier than required by the loan agreement. The bill  
19 restricts the definition of "loan" with regard to the purchase  
20 of agricultural land to agricultural loans payable over a term  
21 of five years or less so that loans to purchase agricultural  
22 land which are payable for a term of more than five years may  
23 have additional interest or penalties imposed for prepayment  
24 of the loan.

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Kettering co-chair  
Beall co-chair  
Zawn  
Rielly

Succeeded By  
HF 2262  
SSB# 3022  
Commerce

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CO-CHAIRPERSONS BEHN  
and WARNSTADT)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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JEFFREY M. LAMBERTI  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2262, Eighty-first General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor

SENATE FILE 2262

AN ACT  
RELATING TO THE PREPAYMENT OF AGRICULTURAL LOANS  
SECURED BY A REAL ESTATE MORTGAGE.

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

Section 1. Section 535.9, subsection 1, Code 2005, is amended to read as follows:

1. As used in this section, "loan" means a loan of money which is wholly or in part to be used for the purpose of purchasing real property which is a single-family or a two-family dwelling occupied or to be occupied by the borrower, or which is payable over a term of five years or less for the purpose of purchasing agricultural land. "Loan" includes the refinancing of a contract of sale, and the refinancing of a