

# House File 352

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1 1 Section 1. NEW SECTION. 537C.1 TITLE.  
1 2 This chapter shall be known and may be cited as the "Iowa  
1 3 Refund Anticipation Loan Act".  
1 4 Sec. 2. NEW SECTION. 537C.2 PURPOSE == CONSTRUCTION.  
1 5 The purpose of this chapter is to protect consumers who  
1 6 enter into refund anticipation loans and refund anticipation  
1 7 check transactions and to limit fees for refund anticipation  
1 8 loans facilitated in this state.  
1 9 This chapter is to be construed as a consumer protection  
1 10 statute for all purposes. This chapter shall be liberally  
1 11 construed to effectuate its purpose.  
1 12 Sec. 3. NEW SECTION. 537C.3 COMPLIANCE REQUIRED.  
1 13 A person shall not, individually or in conjunction or  
1 14 cooperation with another person, solicit the execution of,  
1 15 process, receive, or accept an application or agreement for a  
1 16 refund anticipation loan or refund anticipation check, or in  
1 17 any other manner facilitate the making of a refund  
1 18 anticipation loan or refund anticipation check unless the  
1 19 person has complied with this chapter. The provisions of this  
1 20 chapter apply to any person who seeks to evade its  
1 21 applicability by any device, subterfuge, or pretense  
1 22 whatsoever.  
1 23 Sec. 4. NEW SECTION. 537C.4 DEFINITIONS.  
1 24 As used in this chapter, unless the context otherwise  
1 25 requires:  
1 26 1. "Applicant" means a person who applies for registration  
1 27 as a facilitator of refund anticipation loans or refund  
1 28 anticipation checks.  
1 29 2. "Consumer" means any individual who is solicited for,  
1 30 applies for, or receives the proceeds of a refund anticipation  
1 31 loan or refund anticipation check.  
1 32 3. "Creditor" means any person who makes a refund  
1 33 anticipation loan or who takes an assignment of a refund  
1 34 anticipation loan.  
1 35 4. "Facilitator" means a person who does any of the  
2 1 following:  
2 2 a. Solicits the execution of, processes, receives, or  
2 3 accepts an application or agreement for a refund anticipation  
2 4 loan or refund anticipation check.  
2 5 b. In any manner participates in the making of a refund  
2 6 anticipation loan or refund anticipation check.  
2 7 5. "Market" or "advertise" means to produce, distribute,  
2 8 broadcast, or otherwise display or have displayed written  
2 9 materials, oral statements, or visual materials describing a  
2 10 facilitator's products and services.  
2 11 6. "Person" means an individual, a firm, a partnership, an  
2 12 association, a corporation, or another entity.

2 13 7. "Refund anticipation check" means a check or other  
2 14 payment mechanism that meets all of the following conditions:  
2 15 a. Represents the proceeds of the consumer's tax refund.  
2 16 b. Was issued by a depository institution or by a person  
2 17 that is to receive a direct deposit of the consumer's tax  
2 18 refund or tax credits.  
2 19 c. For which the consumer has paid a fee or other  
2 20 consideration.

2 21 8. "Refund anticipation loan" means a loan that is secured  
2 22 by or that the creditor arranges to be repaid directly or  
2 23 indirectly from the proceeds of the consumer's income tax  
2 24 refund or tax credits. "Refund anticipation loan" also  
2 25 includes any sale, assignment, or purchase of a consumer's tax  
2 26 refund at a discount or for a fee, whether or not the consumer  
2 27 is required to repay the buyer or assignee if the internal  
2 28 revenue service denies or reduces the consumer's tax refund.

2 29 9. "Refund anticipation loan fee" means the charges, fees,  
2 30 or other consideration charged or imposed directly or  
2 31 indirectly by a creditor or facilitator for the making of, or  
2 32 in connection with, a refund anticipation loan. "Refund  
2 33 anticipation loan fee" includes any charge, fee, or other  
2 34 consideration for a deposit account, if the deposit account is  
2 35 used for receipt of the consumer's tax refund to repay the  
3 1 amount owed on the loan. "Refund anticipation loan fee" does  
3 2 not include any charge, fee, or other consideration usually  
3 3 charged or imposed by a facilitator in the ordinary course of  
3 4 business, such as fees for tax return preparation or fees for  
3 5 electronic filing of tax returns, if the same fees in the same  
3 6 amounts are charged to the facilitator's customers who do not  
3 7 receive refund anticipation loans or refund anticipation  
3 8 checks.

3 9 10. "Refund anticipation loan interest rate" means the  
3 10 interest rate for a refund anticipation loan calculated as  
3 11 follows:  
3 12 a. The total amount of refund anticipation loan fees  
3 13 divided by the amount of the loan minus any refund  
3 14 anticipation loan fees, then divided by the number of days in  
3 15 the loan term, then multiplied by three hundred sixty-five and  
3 16 expressed as a percentage.  
3 17 b. If a deposit account is used, the maturity of the loan  
3 18 for the purpose of determining the number of days in the loan  
3 19 term shall be deemed to be the estimated date when the tax  
3 20 refund will be deposited in the deposit account. If no  
3 21 deposit account is used for the repayment of the loan, the  
3 22 maturity of the loan shall be deemed to be the estimated date  
3 23 when the tax refund is received by the creditor.

3 24 11. "Registrant" means a person who is registered as a  
3 25 facilitator of refund anticipation loans or refund  
3 26 anticipation checks under this chapter.

3 27 12. "Superintendent" means the superintendent of banking.

3 28 Sec. 5. NEW SECTION. 537C.5 REGISTRATION AND BOND  
3 29 REQUIREMENTS.

3 30 1. A person shall not solicit the execution of, process,  
3 31 receive, or accept an application or agreement for a refund  
3 32 anticipation loan or refund anticipation check without first  
3 33 being registered with the superintendent and posting a bond in  
3 34 accordance with this chapter.

3 35 2. A facilitator shall post a bond in the amount of one  
4 1 hundred thousand dollars per office location, which shall  
4 2 continue in effect for five years after the facilitator ceases  
4 3 operation in the state. Such bond must be available to pay  
4 4 damages and penalties to consumers harmed by any violation of  
4 5 this chapter.

4 6 3. This section does not apply to a person doing business  
4 7 as a bank, savings and loan association, or credit union,  
4 8 under the laws of the United States or of this state.

4 9 Sec. 6. NEW SECTION. 537C.6 REGISTRATION AND RENEWAL.

4 10 1. a. An application to become registered as a  
4 11 facilitator shall be in writing, under oath, and in a form  
4 12 prescribed by the superintendent. The application shall  
4 13 contain all information prescribed by the superintendent. An  
4 14 application for registration shall be accompanied by a fee,  
4 15 payable to the superintendent in an amount established by  
4 16 rule, for each office where the applicant intends to  
4 17 facilitate refund anticipation loans or refund anticipation  
4 18 checks.

4 19 b. Upon the filing of an application for registration, if  
4 20 the superintendent finds that the responsibility and general  
4 21 fitness of the applicant are such as to command the confidence  
4 22 of the community and to warrant belief that the business of  
4 23 facilitating refund anticipation loans or refund anticipation  
4 24 checks will be operated within the purposes of this chapter,  
4 25 the superintendent shall register the applicant and shall  
4 26 issue and transmit to the applicant a certificate attesting to  
4 27 the registration. If the superintendent does not so find, the  
4 28 superintendent shall not register the applicant and shall  
4 29 notify the applicant of the reasons for the denial.

4 30 c. Upon receipt of a certificate of registration, the  
4 31 applicant is registered under this chapter and may engage in  
4 32 the business of facilitating refund anticipation loans and  
4 33 refund anticipation checks at the offices identified on the  
4 34 application for registration.

4 35 2. a. Each registration as a facilitator of refund  
5 1 anticipation loans and refund anticipation checks shall expire  
5 2 on December 31 following the date it was issued, unless it is  
5 3 renewed for the succeeding year. Before the registration  
5 4 expires, the registrant may renew the registration by filing  
5 5 with the superintendent an application for renewal in the form  
5 6 and containing all information prescribed by the  
5 7 superintendent. Each application for renewal of registration  
5 8 shall be accompanied by a fee in an amount established by rule  
5 9 for each office where the registrant intends to facilitate  
5 10 refund anticipation loans or refund anticipation checks during  
5 11 the succeeding year.

5 12 b. Upon receipt of an application for renewal of  
5 13 registration, the superintendent shall renew the registration  
5 14 unless the superintendent finds that the registrant has  
5 15 violated this chapter or determines that the fitness of the  
5 16 registrant or the operations of the registrant would not  
5 17 support registration of the facilitator under subsection 1.  
5 18 If the superintendent makes such a finding or determination,  
5 19 the superintendent shall so notify the registrant, stating the  
5 20 reasons for the determination.

5 21 3. A registrant shall prominently display a certificate

5 22 issued under this chapter in each place of business in the  
5 23 state where the registrant facilitates the making of refund  
5 24 anticipation loans or refund anticipation checks.

5 25 4. Within five days of receipt of the superintendent's  
5 26 notice of denial of registration or renewal, as required by  
5 27 subsections 1 and 2, an applicant may make a written request  
5 28 to the superintendent for a hearing. The hearing before the  
5 29 superintendent shall be an informal hearing and shall be held  
5 30 with reasonable promptness.

5 31 Sec. 7. NEW SECTION. 537C.7 FEE SCHEDULE AND  
5 32 DISCLOSURES.

5 33 1. At each place of business, a facilitator shall display  
5 34 a schedule showing the current fees for refund anticipation  
5 35 loans, for refund anticipation checks, and for the electronic  
6 1 filing of the consumer's tax return.

6 2 2. A facilitator shall display on each fee schedule  
6 3 examples of the refund anticipation loan interest rates for  
6 4 refund anticipation loans of two hundred dollars, five hundred  
6 5 dollars, one thousand dollars, one thousand five hundred  
6 6 dollars, two thousand dollars, and five thousand dollars.

6 7 3. A facilitator shall also prominently display on each  
6 8 fee schedule a legend, centered, in bold, capital letters, and  
6 9 in one-inch letters stating:

6 10 "NOTICE CONCERNING  
6 11 REFUND ANTICIPATION LOANS

6 12 When you take out a refund anticipation loan, you are  
6 13 borrowing money against your tax refund. If your tax refund  
6 14 is less than expected, you must still repay the entire amount  
6 15 of the loan. If your refund is delayed, you may have to pay  
6 16 additional costs. YOU CAN GET YOUR REFUND IN ABOUT 10 DAYS  
6 17 WITHOUT GETTING A LOAN. You can have your tax return filed  
6 18 electronically and your refund direct deposited into your own  
6 19 bank account without obtaining a loan or paying fees for an  
6 20 extra product."

6 21 4. The postings required by this section shall be made in  
6 22 no less than twenty-eight point type on a document measuring  
6 23 no less than sixteen inches by twenty inches. The postings  
6 24 shall be displayed in a prominent place at each place of  
6 25 business where the facilitator is making refund anticipation  
6 26 loans.

6 27 5. A facilitator shall not make a refund anticipation loan  
6 28 or refund anticipation check unless the following requirements  
6 29 are met:

6 30 a. The disclosures required by this section are displayed.

6 31 b. The fee actually charged for a refund anticipation loan  
6 32 or refund anticipation check is the same as the fee displayed  
6 33 on the schedule.

6 34 c. For refund anticipation loans, the refund anticipation  
6 35 loan interest rate does not exceed twenty-one percent per  
7 1 year.

7 2 Sec. 8. NEW SECTION. 537C.8 REQUIRED DISCLOSURES.

7 3 When a consumer applies for a refund anticipation loan or  
7 4 check, the facilitator or creditor shall disclose to the  
7 5 consumer on a form separate from the application in fourteen  
7 6 point type, all of the following unless otherwise noted:

7 7 1. The fee for the refund anticipation loan or refund  
7 8 anticipation check.

7 9 2. The fee for electronic filing of a tax return.  
7 10 3. The time within which the proceeds of the refund  
7 11 anticipation loan or check will be paid to the consumer if the  
7 12 loan or check is approved.

7 13 4. For refund anticipation loans, a legend, centered, in  
7 14 bold, capital letters, and in eighteen point type stating:

7 15 "NOTICE  
7 16 This is a loan. This loan is borrowing money against your  
7 17 tax refund. If your tax refund is less than expected, you  
7 18 must still repay the entire amount of the loan. If your  
7 19 refund is delayed, you may have to pay additional costs. YOU  
7 20 CAN GET YOUR REFUND IN ABOUT 10 DAYS WITHOUT GETTING THIS  
7 21 LOAN. You can have your tax return filed electronically and  
7 22 your refund direct deposited into your own bank account  
7 23 without obtaining a loan or other paid product."

7 24 5. For refund anticipation loans, the refund anticipation  
7 25 loan interest rate.

7 26 6. For refund anticipation checks, a legend, centered, in  
7 27 bold, capital letters, and in eighteen point type stating:

7 28 "NOTICE  
7 29 You are paying to  
7 30 get your refund check through . YOU CAN AVOID THIS FEE AND  
STILL RECEIVE

7 32 YOUR REFUND IN ABOUT 10 DAYS BY HAVING THE IRS DIRECT DEPOSIT  
7 33 YOUR REFUND INTO YOUR OWN BANK ACCOUNT. You can also wait for  
7 34 the IRS to mail you a check."

7 35 Sec. 9. NEW SECTION. 537C.9 REQUIREMENTS.

8 1 A person who makes or facilitates a refund anticipation  
8 2 loan or refund anticipation check shall do all of the  
8 3 following:

8 4 1. Promptly, after a consumer applies for a loan or check,  
8 5 arrange such loan or check, or inform the consumer that the  
8 6 application is rejected.

8 7 2. Prior to consummation of the loan or check transaction,  
8 8 provide to the consumer in a form that can be kept by the  
8 9 consumer:

8 10 a. A copy of the completed loan or check application and  
8 11 agreement.

8 12 b. The disclosures required by section 537C.8 in English  
8 13 and in the language in which the loan was negotiated.

8 14 c. For refund anticipation loans, the disclosures required  
8 15 by the Truth-in-Lending Act as defined in section 537.1302.

8 16 Sec. 10. NEW SECTION. 537C.10 PROHIBITED ACTIVITIES.

8 17 A person shall not, in the making or facilitating of a  
8 18 refund anticipation loan or refund anticipation check, do any  
8 19 of the following:

8 20 1. Engage in unfair or deceptive acts or practices,  
8 21 including misrepresenting a fact or condition of a loan or  
8 22 check or making any oral statements contradicting any of the  
8 23 information required to be disclosed under this chapter. A  
8 24 facilitator that violates section 714.16 violates this  
8 25 chapter.

8 26 2. Fail to comply with any provision of this chapter. Any  
8 27 violation of this chapter constitutes a violation of section  
8 28 714.16.

8 29 3. Threaten to take any action that is prohibited by this  
8 30 chapter or by any other law, or that the person does not

8 31 actually intend to take.

8 32 4. Make or facilitate a refund anticipation loan for which  
8 33 the refund anticipation loan interest rate is greater than  
8 34 twenty=one percent per year. Any refund anticipation loan for  
8 35 which the refund anticipation loan interest rate exceeds  
9 1 twenty=one percent per year is void ab initio.

9 2 5. Directly or indirectly charge, or arrange for the  
9 3 charging of, any interest, fee, or charge related to a refund  
9 4 anticipation loan or refund anticipation check, other than  
9 5 those specifically authorized by this chapter. Charges for  
9 6 insurance, attorney fees or other collection costs, and check  
9 7 cashing fees are prohibited.

9 8 6. Include any of the following provisions in any document  
9 9 provided or signed in connection with a refund anticipation  
9 10 loan or refund anticipation check, including the loan  
9 11 application or agreement:

9 12 a. A hold harmless clause.  
9 13 b. A confession of judgment clause.  
9 14 c. A waiver of the right to a jury trial, if applicable,  
9 15 in any action brought by or against the consumer.  
9 16 d. Any assignment of or order for payment of wages or  
9 17 other compensation for services.  
9 18 e. A provision in which the consumer agrees not to assert  
9 19 any claim or defense arising out of the agreement, or to seek  
9 20 any remedies pursuant to section 537C.13.  
9 21 f. A waiver of any provision of this chapter. Any such  
9 22 waiver shall be deemed null, void, and of no effect.  
9 23 g. A waiver of the right to injunctive, declaratory, other  
9 24 equitable relief, or relief on a classwide basis.  
9 25 h. A provision requiring that any aspect of a resolution  
9 26 of a dispute between the parties to the agreement be kept  
9 27 confidential. This provision shall not affect the right of  
9 28 the parties to agree that certain specified information is a  
9 29 trade secret or otherwise confidential or to later agree,  
9 30 after the dispute arises, to keep a resolution confidential.

9 31 7. Take or arrange for a creditor to take a security  
9 32 interest in any property of the consumer other than the  
9 33 proceeds of the consumer's tax refund to secure payment of a  
9 34 refund anticipation loan.

9 35 8. Directly or indirectly, engage in the collection of an  
10 1 outstanding or delinquent refund anticipation loan for any  
10 2 creditor or assignee. A refund anticipation loan or refund  
10 3 anticipation check application or agreement shall not contain  
10 4 a provision permitting the creditor to repay, by offset or  
10 5 other means, an outstanding or delinquent refund anticipation  
10 6 loan for that creditor or any creditor from the proceeds of  
10 7 the consumer's tax refund.

10 8 9. Facilitate, refer, or solicit consumers on behalf of a  
10 9 third party engaged in check cashing for a fee, or permit  
10 10 third=party check cashing for a fee in any place of business  
10 11 identified on the application for registration.

10 12 10. Facilitate any loan that is secured by or that the  
10 13 creditor arranges to be repaid directly from the proceeds of  
10 14 the consumer's state tax refund from the treasurer of state.

10 15 11. Make a misrepresentation of fact in obtaining or  
10 16 attempting to obtain a registration as a facilitator.

10 17 12. Engage in any other action prohibited by rules

10 18 promulgated by the superintendent.

10 19 Sec. 11. NEW SECTION. 537C.11 ADMINISTRATIVE REMEDIES.

10 20 1. Whenever the superintendent believes or has notice that  
10 21 any action of a facilitator may be in violation of this  
10 22 chapter or the rules adopted pursuant to this chapter, or that  
10 23 the facilitator has engaged in an unfair or deceptive act or  
10 24 practice, the superintendent shall give reasonable notice to  
10 25 the facilitator of the suspected violation or unfair or  
10 26 deceptive act or practice, and an opportunity for the  
10 27 facilitator to be heard. If, following the hearing, the  
10 28 superintendent finds that an action of the facilitator is in  
10 29 violation of this chapter or the rules adopted thereunder or  
10 30 that the facilitator has engaged in an unfair or deceptive act  
10 31 or practice, the superintendent shall order the facilitator to  
10 32 cease and desist from the action. The superintendent may make  
10 33 investigations, subpoena witnesses, and require audits and  
10 34 reports, in preparation for such hearings, and shall make  
10 35 findings of fact and conclusions of law. All hearings shall  
11 1 be open to the public.

11 2 2. If a facilitator continues to engage in an action in  
11 3 violation of the superintendent's order to cease and desist  
11 4 from the action, the facilitator shall be subject to a penalty  
11 5 of one thousand dollars for each action it takes in violation  
11 6 of the superintendent's order.

11 7 3. After notice and hearing, and upon a finding that a  
11 8 registrant has engaged in a course of conduct that is in  
11 9 violation of this chapter or the rules adopted thereunder, or  
11 10 continued to engage in an action in violation of a cease and  
11 11 desist order of the superintendent that has not been stayed  
11 12 upon application of the registrant, the superintendent may  
11 13 revoke the registration of the registrant temporarily or  
11 14 permanently at the discretion of the superintendent. A  
11 15 revocation, suspension, or surrender of any registration shall  
11 16 not relieve the registrant from civil or criminal liability  
11 17 for acts committed prior to the revocation, suspension, or  
11 18 surrender.

11 19 Sec. 12. NEW SECTION. 537C.12 COMPLAINTS.

11 20 The superintendent shall maintain a list of registrants  
11 21 which shall be available to interested persons and the public.  
11 22 The superintendent shall maintain a toll-free telephone number  
11 23 for consumers to obtain information about registrants and  
11 24 complaint forms. The superintendent shall establish a  
11 25 complaint process whereby an aggrieved consumer or any member  
11 26 of the public may file a complaint against a registrant or  
11 27 nonregistrant who violates any provision of this chapter. All  
11 28 complaints shall be considered public with the exception of  
11 29 the complainant's name, address, or other personal identifying  
11 30 information. The superintendent shall hold a hearing pursuant  
11 31 section 537C.11 upon the request of a party to the complaint.  
11 32 The superintendent may after such hearing issue cease and  
11 33 desist orders or suspend or revoke a registration as provided  
11 34 in section 537C.11.

11 35 Sec. 13. NEW SECTION. 537C.13 PRIVATE RIGHT OF ACTION.

12 1 1. The remedies provided in this section are cumulative  
12 2 and apply to both registrants and persons who fail to  
12 3 register.

12 4 2. A facilitator who fails to comply with any provision of

12 5 this chapter is liable to the consumer for all of the  
12 6 following:

- 12 7 a. Actual and consequential damages.
- 12 8 b. Statutory damages of two thousand dollars adjusted  
12 9 annually to reflect increases in the consumer price index or  
12 10 three times the amount of the refund anticipation loan fee or  
12 11 other unauthorized charge, whichever is greater.
- 12 12 c. Reasonable attorney fees and costs.

- 12 13 3. Any person may sue for injunctive or other appropriate  
12 14 equitable relief to enforce this chapter.
- 12 15 4. A consumer may bring a class action suit to enforce  
12 16 this chapter. In a class action, a facilitator who fails to  
12 17 comply with any provision of this chapter is liable for the  
12 18 damages, fees, and costs described in subsection 2.
- 12 19 5. The remedies provided in this section are not intended  
12 20 to be the exclusive remedies available to a consumer nor must  
12 21 the consumer exhaust any administrative remedies provided  
12 22 under this chapter or any other applicable law.

12 23 Sec. 14. NEW SECTION. 537C.14 RULES.

- 12 24 1. The superintendent may adopt rules as necessary to  
12 25 effectuate the purpose of this chapter, to provide for the  
12 26 protection of the borrowing public, and to assist facilitators  
12 27 in interpreting this chapter.
- 12 28 2. The superintendent may modify, by rule, the disclosures  
12 29 required in sections 537C.7 and 537C.8 to the extent that a  
12 30 revision of the ten-day estimate for receiving a refund with  
12 31 electronic filing and direct deposit from the internal revenue  
12 32 service is appropriate.
- 12 33 3. The superintendent shall establish, by rule, reasonable  
12 34 registration and renewal fees sufficient to offset expenses  
12 35 incurred in the administration of this chapter.

13 1 Sec. 15. NEW SECTION. 537C.15 ANNUAL REPORTS.

13 2 On or before July 1, 2006, and each year following, a  
13 3 facilitator shall file an annual report with the  
13 4 superintendent pursuant to procedures that the superintendent  
13 5 shall establish by rule. An annual consolidated report shall  
13 6 be prepared by the superintendent and made available to the  
13 7 public. These reports shall include the following information  
13 8 for the time period of April 15 of the prior year to April 15  
13 9 of the current year:

- 13 10 1. The total number and dollar amount of refund  
13 11 anticipation loans facilitated by the facilitator.
- 13 12 2. The total number and dollar amount of refund  
13 13 anticipation checks facilitated by the facilitator.
- 13 14 3. The average number of days for which refund  
13 15 anticipation loans facilitated by the facilitator were  
13 16 outstanding before being repaid.
- 13 17 4. The name and address of any creditor or person for whom  
13 18 the facilitator made refund anticipation loans or refund  
13 19 anticipation checks.
- 13 20 5. Any other information required by the superintendent.

13 21 Sec. 16. NEW SECTION. 537C.16 ADVERTISING AND MARKETING.

- 13 22 1. A facilitator shall not market or advertise a refund  
13 23 anticipation loan without including the following language:  
13 24 " is a loan. You can get your refund in  
13 25 about 10 days without a loan or extra fees if you use e=file  
13 26 and direct deposit."

13 27 For print advertisements, this information shall be in type  
13 28 size one-half as large as the largest type size in the  
13 29 advertisement. For radio and television advertisements, this  
13 30 information shall receive at least seven seconds of airtime.  
13 31 2. A facilitator shall not market or advertise a refund  
13 32 anticipation check without including the following language:  
13 33 "The costs . You can get your refund in about 10 days  
without this

13 35 fee if you use e-file and direct deposit."

14 1 For print advertisements, this information shall be in type  
14 2 size one-half as large as the largest type size in the  
14 3 advertisement. For radio and television advertisements, this  
14 4 information shall receive at least seven seconds of airtime.

14 5 EXPLANATION

14 6 This bill creates a new Code chapter known as the "Iowa  
14 7 Refund Anticipation Loan Act". The Code chapter regulates  
14 8 transactions in which a consumer pays a fee to receive a loan  
14 9 or check in advance or in anticipation of receipt of an IRS  
14 10 tax refund. A person, the facilitator, who makes such loans  
14 11 or checks must register and file annual reports with the  
14 12 superintendent of banking. The superintendent may receive  
14 13 complaints and adopt rules necessary to protect consumers and  
14 14 regulate facilitators. The facilitator must disclose to  
14 15 consumers the fees charged, the loan interest rate, and that a  
14 16 consumer can receive a tax refund in about 10 days without the  
14 17 fees required by such a loan or check. The bill provides  
14 18 penalties against facilitators who fail to comply with the  
14 19 Code chapter. The bill also requires certain disclosures in  
14 20 advertising the availability of a refund anticipation loan or  
14 21 check.

14 22 LSB 1594HH 81

14 23 eg:nh/sh/8