



DOUGLAS R. CARLSON  
ASSISTANT ATTORNEY GENERAL IN CHARGE  
CONSUMER PROTECTION DIVISION

LINDA THOMAS LOWE  
ASSISTANT ATTORNEY GENERAL

JAMES M. PETERS  
ASSISTANT ATTORNEY GENERAL

DEAN A. LERNER  
ASSISTANT ATTORNEY GENERAL

TERRENCE M. TOBIN  
ASSISTANT ATTORNEY GENERAL

SUSAN BARNES BRAMMER  
ASSISTANT ATTORNEY GENERAL

## Department of Justice

THOMAS J. MILLER  
ATTORNEY GENERAL

ADDRESS REPLY TO:  
CONSUMER PROTECTION DIVISION  
HOOVER BLDG., SECOND FLOOR  
1300 EAST WALNUT  
DES MOINES, IOWA 50319  
515/281-5926

May 4, 1984

RE: Your Inquiry on Retail Installment Sales in Iowa

Dear

This letter will acknowledge receipt of your inquiry concerning compliance with Iowa statutes on retail installment sales. Please excuse the delay in our responding.

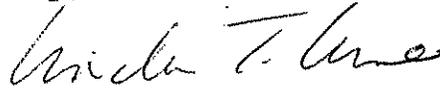
Based on the limited information about the manner in which your client intends to conduct business in Iowa, it appears that under the pertinent Iowa statute (Iowa Consumer Credit Code Chapter 537, Code of Iowa, 1983), the transaction is not a "consumer credit transaction." In order for the transaction to be deemed a consumer credit sale, one of the necessary elements under § 537.1301(12) of the ICCC is that the debt is payable in installments or a finance charge is made. In order for a transaction to be "payable in installments" as defined by the ICCC, there must be an agreement to make "more than four periodic payments, excluding a downpayment." However, an agreement with two or more installments would also be payable in installments if any one of the payments was more than twice the amount of the others. (See: ICCC § 537.1301[30].)

Since you state that your client will be advertising in Iowa, you should also be aware of the Iowa Consumer Fraud Act so that your client's advertising will be in compliance with this statute. A copy of § 714.16 of the Code of Iowa, 1983, is enclosed for your reference.

CPAD-12

Please be advised that this response is in the nature of informal advice only and is not a formal opinion of the attorney general nor of the ICCC administrator and should not be relied upon as such.

Sincerely,



LINDA THOMAS LOWE  
Assistant Attorney General

cf

Enclosure: § 714.16  
§ 537.1302(12)  
§ 537.1302(30)