February 8, 1985

RE: Consumer Loans by Mail Made by

Dear,

As you know, your January 18, 1985, letter to the Iowa Department of Banking has been referred to this office for a reply. In your letter you stated that and its affiliates, make loans by mail to consumers in several states. You stated that the loan company affiliates are licensed under Pennsylvania statutes. The apparent purpose of your letter was to update your files on the consumer credit statutes of various states.

We are enclosing a copy of the current (1983) version of the Iowa Consumer Credit Code and two pertinent amendments which: 1) create provisions for "home equity" lines of credit and 2) increase interest rates on retail charge accounts and bank credit cards. Please remit to this office a charge of $5 for the copy of the credit code. Make your check payable to:

Iowa Attorney General-ICCC Administrator

You do not state anywhere in your letter whether or not or its affiliates have ever made consumer "loans by mail" to Iowans. You also do not state whether they have ever obtained or applied for an Iowa license from either the Small Loan Division of the Iowa Department of Banking or the Financial Institutions Division of the Iowa Auditor's Office.

Please advise your client that it is the position of this office, as administrator of the ICCC, that only licensed lenders may make "supervised" consumer loans. (See: definition of super-
vised lenders and supervised loans at § 537.1301(41) and (42), and see: § 537.2301 - Authority to Make Supervised Loans.)

Please provide the following information in writing to this office no later than 15 days from the date of this letter:

1. Date on which became licensed to make consumer loans under either Chapter 536 - (Chattel Loans) or Chapter 536A (Industrial Loans) of the Iowa Code.

2. The number of consumer loans by mail made by or its affiliates to Iowa consumers.

3. The names and addresses of all Iowa consumers who have ever received loans from or its affiliates and for each such person, the annual percentage rate of the loan.

If you have any questions regarding this matter, you may contact the undersigned at 515-281-5926.

Sincerely,

LINDA THOMAS LOWE
Assistant Attorney General

cf

Encl.: Iowa Consumer Credit Code
1984 Iowa Acts, Ch. 1272
1984 Iowa Acts, Ch. 1237