



ADVISORY

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## Department of Justice

CONSUMER PROTECTION DIVISION

September 23, 1986

Dear

Please excuse the delay in responding to your inquiry concerning returned check charges on credit card accounts. Iowa law authorizes a "holder" of a nonsufficient funds check to assess a charge of \$10.00 (see: Iowa Code § 554.3507[5] [1985]). The Iowa Consumer Credit Code does not, however, recognize a returned check charge as a permissible additional charge which may be made by a creditor in a consumer credit transaction (see: Iowa Code § 537.2501 [1985]). Because the Legislature did not also amend the ICCA when it enacted the surcharge legislation in 1984, the charge would not be permissible unless there was a rule of the ICCA administrator. There presently is no such rule.

I hope this information is responsive to your inquiry.

Sincerely,

LINDA THOMAS LOWE  
Assistant Attorney General

cf

Enclosures: Iowa Code § 554.3507  
Iowa Code § 537.2501

State of Iowa File #

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