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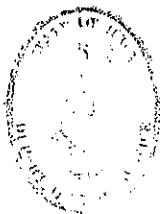
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ADDRESS REPLY TO:
CONSUMER PROTECTION DIVISION
HOOVER BLDG., SECOND FLOOR
1300 EAST WALNUT
DES MOINES, IOWA 50319
515/281-5926

September 22, 1983

RE: Debt Collection Practices Enforcement in Iowa

Dear

This letter is in response to your letter of May 23, 1983, in which you indicated that your agency is interested in certain areas of debt collection activity within the various states.

Regarding the specific areas raised in your letter:

1) The Iowa Debt Collection Practices Act (copy enclosed) covers creditors who are collecting their own accounts. There is no distinction drawn between the creditor as collector and the independent collector; however, most of the debt collection complaints received by this office are against independent collection agencies and not against creditors.

2) Debt counseling is legal in the State of Iowa so long as a license is obtained from the State Department of Banking. We are not aware of a large number of complaints in this area; however, we did recently contact of your office regarding a complaint against a of Chicago (Chapter 533A enclosed).


3) Without making a time consuming study of our complaint files, it is my impression that creditors in Iowa frequently dispose of repossessed automobiles at private or "noncompetitive" sales. Provided certain provisions of the U.C.C. are complied with, there is of course no per se violation of the law in holding a private sale.

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4) While this office has not received a large number of complaints against nonbank mortgage companies, those which we have received are particularly disturbing. The State of Iowa does not regulate mortgage companies as financial institutions and mortgage transactions in general are also excluded from coverage of the Iowa Consumer Credit Code. These companies have in some instances been unresponsive to contact from this office or at best have moved slowly during which time the consumer is threatened with the loss of his home. Two companies in particular with which Iowans have serious problems are: Standard Federal Savings of Maryland, and Northland Mortgage Company of Minneapolis, Minnesota.

If you have any further questions or desire further information, please feel free to contact me in writing or by calling 515-281-5926. I am responsible for the enforcement of the ICCA and the Iowa Debt Collection Practices Act which is a subchapter of the ICCA.

Sincerely,



LINDA THOMAS LOWE
Assistant Attorney General

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Enclosures: Chapter 533A
§ 537.7101 - .7103 (ICCA)