



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

FRANK THOMAS
ASSISTANT ATTORNEY GENERAL

LINDA THOMAS LOWE
ASSISTANT ATTORNEY GENERAL

JAMES M. PETERS
ASSISTANT ATTORNEY GENERAL

DEAN A. LERNER
ASSISTANT ATTORNEY GENERAL

TERRENCE M. TOBIN
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

December 29, 1983

Dear

As we discussed in our phone conversation of December 29, 1983, a lender in a consumer credit transaction may not charge an appraisal fee as an "other charge" covered by § 537.2501 of the Iowa Consumer Credit Code. The Commercial Clearinghouse comment on the 1974 UCCC, § .2501 clearly states that appraisal fees must be included in the finance charge. The Commercial Clearinghouse comment on § .2501 states that UCCC § .1301(20)(a)(iv), which is the same as ICCC § .1301(19)(a)(4), "expressly designates these charges as finance charges."

The comment also makes it clear that on this question there is an inconsistency between the ICCC and the federal TILA which designates appraisal fees as charges which are not part of the finance charge.

Sincerely,

LINDA T. LOWE
Assistant Attorney General

/kz
Enclosures

CPAD-6