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 Secretary of State
 State of Iowa

**REGISTRATION OF
 CREDIT SERVICES
 ORGANIZATION**

As required by *Iowa Code* section 538A.5 the following credit services organization files its registration with the secretary of state. **PLEASE READ INSTRUCTIONS ON THE NEXT PAGE BEFORE COMPLETING.**

1. Name of organization: _____

2. Address of organization: _____
Street Address

_____ City _____ State _____ ZIP

2a. Address in Iowa if different than #2: _____
Street Address

_____ City _____ State _____ ZIP

3. Name and address of any person(s) directly or indirectly controlling 10% or more of the organization:

(Please attach additional pages if needed)

4. One of the following must be attached (please indicate):

- A full and complete disclosure of any litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.
- A notarized statement that there has been no litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

5. Phone number of organization: _____

6. Attached is a copy of the disclosure statement required by *Iowa Code* section 538A.6(1).

I certify under penalty of perjury and pursuant to the laws of the State of Iowa that the preceding is true and correct.

Name _____ Title _____

for (organization name) _____

Signature _____ Date _____

NOTES

WHO MUST REGISTER

Iowa Code section 538A.2 defines a credit services organization as a person who, with respect to the extension of credit by others and in return for the payment of money or other valuable consideration, provides or represents that the person can or will provide, any of the following services:

- a. Improving a buyer's credit record, history, or rating.
- b. Providing advice or assistance to a buyer with regard to paragraph "a".

The statute also provides exemptions from registration for banks or savings and loan associations with federally insured deposits, credit unions, certain nonprofit organizations, and attorneys, real estate brokers, and security and commodity dealers acting within the scope of their practices. For a detailed list of exemptions, see *Iowa Code* section 538A.2(2).

SECURITY

Iowa Code section 538A.3 requires a credit services organization to secure a surety bond or surety account if the credit services organization receives money or other consideration from a buyer prior to performing all agreed upon services. The bond form or a description of the surety account including the depository, the trustee and the account number must be filed in the secretary of state's office.

CHANGE IN REGISTRATION

If any information contained in this registration changes, the credit services organization must notify the secretary of state in writing within 90 days.

INSPECTION OF RECORDS

A current copy of this registration must be kept in the files of the credit services organization and made available to buyers on their request.

DISCLOSURE STATEMENT

Iowa Code section 538A.6(1) provides:

1. Before executing a contract or agreement with a buyer, or receiving money or other valuable consideration, a credit services organization shall provide the buyer with a statement in writing, containing all of the following:
 - a. A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total cost of the services.
 - b. A statement explaining the buyer's right's to proceed against the bond or surety account required by section 538A.4.
 - c. The name and address of the surety company which issued the bond, or the name and address of the depository and the trustee, and the account number of the surety account.

The filing fee is \$50.00. Make checks payable to SECRETARY OF STATE.

The information you provide will be open to public inspection pursuant to *Iowa Code* chapter 22.

SECRETARY OF STATE

Credit Services Organization Registration
Lucas State Office Building, 1st Floor
Des Moines, Iowa 50319

Phone: (515) 281-5204

FAX: (515) 242-5953

Website: sos.iowa.gov



Secretary of State
State of Iowa

CREDIT SERVICES
ORGANIZATION
BOND FORM

This is the bond form prescribed by the Secretary of State under Iowa Code section 538A.4. An applicant who chooses to comply with Iowa Code section 538A.4, by executing a surety bond, must use this form.

PRINCIPAL: _____

SURETY: _____

ADMINISTRATOR: Secretary of State

BOND NO.: _____

TERM: This bond shall become effective on _____, 20_____ and remain in force until terminated in accordance with the provisions of paragraph 4 below.

_____, as principal, and

_____, as surety qualified to do business in Iowa, are bound in penal sum of \$10,000 for payment under the following terms and conditions.

TERMS AND CONDITIONS:

- 1. The above-named principal has applied to the Secretary of State for registration as a credit services organization under Iowa Code chapter 538A.
- 2. If the principal complies with the provisions of Iowa Code chapter 538A and all rules and regulations promulgated thereunder, and satisfies any loss or damages suffered by the State of Iowa or any person[s] dealing with the principal resulting from the principal's violation of any provision of Iowa Code chapter 538A, or rules and regulations promulgated thereunder, then this obligation shall be void. Otherwise this bond shall remain in full force and effect. This bond is payable to the State of Iowa for use and benefit of either: (a) [any] person[s] who is [are] injured by the fraud, misrepresentation, or financial failure of the principal ; or (b) the State on behalf of any person[s] so injured.
- 3. This bond shall be one continuing obligation and in no event shall the liability exceed the penal sum of \$10,000 for the aggregate of any claims occurring during the term of this bond.
- 4. The surety shall have the right to terminate its obligation under this bond by filing written notice of its intent to cancel the bond with the Secretary of State and the principal at least 30 days prior to the effective date of such termination. Obligations of the surety arising prior to the effective date shall not be affected by the termination.

EXECUTED on this _____ day of _____, 20_____

_____, Principal

by _____.

NOTE: Persons executing for surety other than corporate officers must attach Power of Attorney.

_____, Surety

by _____.



PAUL D. PATE
Secretary of State
State of Iowa

SURETY ACCOUNT NOTICE
FOR A CREDIT SERVICES
ORGANIZATION

TO: Secretary of State, Business Services Division, Lucas Bldg, 1st Floor, Des Moines Iowa 50319

A surety account has been established in favor of the State of Iowa at:

(Name and Address of Financial Institution)

with _____ as Trustee by _____
(Name of Trustee) (Officer or Authorized Agent of Credit Services Organization)

for _____
(Name of Credit Services Organization)

(Address of Credit Services Organization)

Account Number: _____ AMOUNT: \$10,000 Date Established: _____

No money in this account may be conveyed to the Credit Services Organization or its representative without written approval by the Secretary of State.

Signature of Officer of Financial Institution: _____

Name and Title of Officer: _____

Date: _____

TERMS AND CONDITIONS:

1. The above-named principal has applied to the Secretary of State for registration as a credit services organization under *Iowa Code* chapter 538A.
2. If the principal complies with the provisions of *Iowa Code* chapter 538A and all rules and regulations promulgated thereunder, and satisfies any loss or damages suffered by the State of Iowa or any person[s] dealing with the principal resulting from the principal's violation of any provision of *Iowa Code* chapter 538A, or rules and regulations promulgated thereunder, then this obligation shall be void. Otherwise this surety account shall remain in full force and effect. This surety account is payable to the State of Iowa for use and benefit of either: (a) [any] person[s] who is [are] injured by the fraud, misrepresentation, or financial failure of the principal ; or (b) the State on behalf of any person[s] so injured.
3. This surety account shall be one continuing obligation and in no event shall the liability exceed the penal sum of \$10,000 for the aggregate of any claims occurring during the term of this surety account.
4. A depository holding money in a surety account shall not convey money in the account to the credit services organization that established the account or a representative of the credit services organization unless the credit services organization or representative presents a statement issued by the secretary of state indicating that section 538A.5 subsection 6, has been satisfied in relation to the account.
5. The surety account shall be maintained until two years after the date that the credit services organization ceases to operate.

CHAPTER 538A CREDIT SERVICES ORGANIZATIONS

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538A.1 Definitions.

In [this chapter](#), unless the context otherwise requires:

1. “*Buyer*” means an individual who is solicited to purchase or who purchases the services of a credit services organization.
2. “*Consumer reporting agency*” has the meaning assigned by section 603(f), Fair Credit Reporting Act, 15 U.S.C. § 1681a(f) as amended through January 1, 1989.
3. “*Extension of credit*” means the right to defer payment of debt or to incur debt and defer its payment offered or granted primarily for personal, family, or household purposes.

89 Acts, ch 183, §1
CS89, §533C.1
C93, §538A.1

538A.2 Credit services organization defined — exemptions.

1. A credit services organization is a person who, with respect to the extension of credit by others and in return for the payment of money or other valuable consideration, provides, or represents that the person can or will provide, any of the following services:
 - a. Improving a buyer’s credit record, history, or rating.
 - b. Providing advice or assistance to a buyer with regard to paragraph “a”.
2. The following are exempt from [this chapter](#):
 - a. A person authorized to make loans or extensions of credit under the laws of this state or the United States who is subject to regulation and supervision of this state or the United States, or a lender approved by the United States secretary of housing and urban development for participation in a mortgage insurance program under the National Housing Act, 12 U.S.C. § 1701 et seq.

b. A bank or savings and loan association whose deposits or accounts are eligible for insurance by the federal deposit insurance corporation or the federal savings and loan insurance corporation, or successor deposit insurance entities, or a subsidiary of a bank or savings and loan association.

c. A credit union doing business in this state.

d. A nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, as defined in [section 422.3](#).

e. A person licensed as a real estate broker or salesperson, under [section 543B.20](#), acting within the course and scope of that license.

f. A person licensed to practice as an attorney in this state acting within the course and scope of the person's practice as an attorney.

g. A broker-dealer registered with the securities and exchange commission or the commodity futures trading commission acting within the course and scope of the regulations of the commission that person is registered with.

h. A consumer reporting agency.

89 Acts, ch 183, §2

CS89, §533C.2

C93, §538A.2

93 Acts, ch [60. §23](#)

538A.3 Prohibited conduct.

A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not:

1. Charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the credit services organization has agreed to perform for the buyer, unless the credit services organization has obtained a bond in accordance with [section 538A.4](#) or established and maintained a surety account at a federally insured bank or savings and loan association located in this state in the amount required by [section 538A.4, subsection 5](#).

2. Charge a buyer or receive from a buyer money or other valuable consideration solely for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is or will be extended to the buyer is substantially the same as that available to the general public.

3. Make or use a false or misleading representation in the offer or sale of the services of a credit services organization.

4. Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization.

89 Acts, ch 183, §3

CS89, §533C.3

C93, §538A.3

538A.4 Bond — surety account.

1. [This section](#) applies to a credit services organization required by [section 538A.3, subsection 1](#), to obtain a surety bond or establish a surety account.
2. If a bond is obtained, a copy of it shall be filed with the secretary of state. If a surety account is established, notification of the depository, the trustee, and the account number shall be filed with the secretary of state.
3. If a bond is obtained, the bond shall be executed by a surety company authorized to do business in this state, and the bond shall be continuous in nature until canceled by the surety with not less than thirty days' written notice to both the credit services organization and to the secretary of state. The notice shall indicate the surety's intent to cancel the bond effective on a date at least thirty days after the date of the notice.
4. The bond or surety account required must be in favor of the state for the benefit of any person who is damaged by a violation of [this chapter](#).
5. A person claiming against the bond or surety account for a violation of [this chapter](#) may maintain an action at law against the credit services organization and against the surety or trustee. The surety or trustee is liable only for damages awarded under [section 538A.9, subsection 1](#), and not the punitive damages permitted under that section. The aggregate liability of the surety or trustee to all persons damaged by a credit services organization's violation of [this chapter](#) shall not exceed the amount of the surety account or bond.
6. The bond or the surety account shall be in an amount of at least ten thousand dollars.
7. A depository holding money in a surety account under [this chapter](#) shall not convey money in the account to the credit services organization that established the account or a representative of the credit services organization unless the credit services organization or representative presents a statement issued by the secretary of state indicating that [section 538A.5, subsection 6](#), has been satisfied in relation to the account. The secretary of state may conduct investigations and require submission of information as necessary to enforce [this subsection](#).

89 Acts, ch 183, §4
CS89, §533C.4
C93, §538A.4

538A.5 Registration.

1. A credit services organization shall file a registration statement with the secretary of state before conducting business in this state. The registration statement must contain both of the following:
 - a. The name and address of the credit services organization.
 - b. The name and address of any person who directly or indirectly owns or controls ten percent or more of the outstanding shares of stock in the credit services organization.
2. The registration statement must also contain one of the following:
 - a. A full and complete disclosure of any litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.
 - b. A notarized statement that there has been no litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

3. The credit services organization shall update the statement not later than the ninetieth day after the date on which a change in the information required in the statement occurs.

4. A credit services organization registering under [this section](#) shall maintain a copy of the registration statement in the files of the credit services organization. The credit services organization shall allow a buyer to inspect the registration statement on request.

5. The secretary of state may charge each credit services organization that files a registration statement with the secretary of state a reasonable fee not to exceed one hundred dollars to cover the cost of filing. The secretary of state shall not require a credit services organization to provide information other than that provided in the registration statement.

6. The bond or surety account shall be maintained until two years after the date that the credit services organization ceases to operate.

89 Acts, ch 183, §5
CS89, §533C.5
C93, §538A.5

538A.6 Disclosure statement.

1. Before executing a contract or agreement with a buyer, or receiving money or other valuable consideration, a credit services organization shall provide the buyer with a statement in writing, containing all of the following:

a. A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total cost of the services.

b. A statement explaining the buyer's rights to proceed against the bond or surety account required by [section 538A.4](#).

c. The name and address of the surety company which issued the bond, or the name and address of the depository and the trustee, and the account number of the surety account.

2. The credit services organization shall maintain on file for a period of two years after the date the statement is provided, an exact copy of the statement, signed by the buyer, acknowledging receipt of the statement.

89 Acts, ch 183, §6
CS89, §533C.6
C93, §538A.6

538A.7 Form in terms of contract.

1. A contract between the buyer and a credit services organization for the purchase of the services of the credit services organization must be in writing, dated, signed by the buyer, and must include all of the following:

a. A conspicuous statement in boldface type, in immediate proximity to the space reserved for the signature of the buyer, as follows: **“You, the buyer, may cancel this contract at any time before midnight of the third day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.”**

b. The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to another person.

c. A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or estimated length of time for performing the services.

d. The address of the credit services organization's principal place of business and the name and address of its agent in the state authorized to receive service of process.

2. The contract must have attached two easily detachable copies of the notice of cancellation. The notice must be in boldface type and in the following form:

Notice of Cancellation

You may cancel this contract, without any penalty or obligations, within three days after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days after the date of receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice or other written notice to: (name of seller) at (address of seller) (place of business) not later than midnight (date).

(Date)

.....

(Purchaser's signature)

3. The credit services organization shall give to the buyer a copy of the completed contract and all other documents the credit services organization requires the buyer to sign at the time they are signed.

89 Acts, ch 183, §7

CS89, §533C.7

C93, §538A.7

538A.8 Waiver.

1. A credit services organization shall not attempt to cause a buyer to waive a right under [this chapter](#).

2. A waiver by a buyer of any part of [this chapter](#) is void.

89 Acts, ch 183, §8

CS89, §533C.8

C93, §538A.8

538A.9 Action for damages.

1. A buyer injured by a violation of [this chapter](#) may bring an action for recovery of damages. The damages awarded shall not be less than the amount paid by the buyer to the credit services organization, plus reasonable attorney's fees and court costs.

2. The buyer may also be awarded punitive damages.

89 Acts, ch 183, §9

CS89, §533C.9

C93, §538A.9

538A.10 Injunction.

The attorney general or a buyer may bring an action in a district court to enjoin a violation of [this chapter](#).

89 Acts, ch 183, §10

CS89, §533C.10

C93, §538A.10

538A.11 Statute of limitations.

An action shall not be brought under [section 538A.9](#) after ten years after the date of the execution of the contract for services to which the action relates.

An action shall not be brought under [section 538A.12](#) after four years after the date of the execution of the contract for services to which the action relates.

89 Acts, ch 183, §11
CS89, §533C.11
C93, §538A.11

538A.12 Criminal penalty.

A person who violates a provision of [this chapter](#) commits a serious misdemeanor.

89 Acts, ch 183, §12
CS89, §533C.12
C93, §538A.12

538A.13 Burden of proving exemption.

In an action under [this chapter](#), the burden of proving an exemption under [section 538A.2, subsection 2](#), is upon the person claiming the exemption.

89 Acts, ch 183, §13
CS89, §533C.13
C93, §538A.13

538A.14 Remedies cumulative.

The remedies provided by [this chapter](#) are in addition to other remedies provided by law.

89 Acts, ch 183, §14
CS89, §533C.14
C93, §538A.14