IOWA HOUSE REPUBLICANS

REPUBLICAN CAUCUS STAFF
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DES MOINES, IOWA 50319

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HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2326	House Committee:	**PASSED** 2/4/26 **(17-6)**
Committee:	Commerce	House Floor:	
Floor Manager:	Rep. Judd Lawler	Senate Floor:	
Date:	April 1, 2026	Governor:	
Staff:	Natalie Ginty (281-7479)		

Debt Management Fees

- This bill revises the limits a debt management company can charge an individual that has settled at least one debt, agreed to the settlement and made a payment towards that settlement as required by the FTC.

Section by Section Analysis

Section 1 (Iowa Code 533A.8)
Allows for a dedicated account in addition to a separate bank account.

Section 2 (Iowa Code 533A.8)
Removes the prohibition on debt management programs from receiving a fee other than the initiation fee.

Section 3 (Iowa Code 533A.8)
Strikes the prohibition on the debt management program from receiving consideration from any third party.

Section 4 (Iowa Code 533A.9)
Strikes the current fee limits regarding debt management programs of an initiation fee and a 18% fee. Instead, allows the debt management company to receive payment after at least one payment has occurred to resolve the debtors negotiated debts.

Section 5 (Iowa Code 533A.9)
Strikes the prohibition on the debtor paying a third party fee for services.

Section 6 (Iowa Code 538A.2)
Exempts debt management businesses from the credit services organization code section.

Amendment Analysis

H-8274 by Lawler – This amendment comes based on conversations with the Banking Division. This amendment prohibits the debt management company from receiving an additional fee from the debtor if renegotiating a debt is necessary for payments to be made, limits the fee to not exceed 30% of the total amount of debt in the program, and requires incremental payments over at least one quarter of the payment term.