

## **CHAPTER 4**

### **DISCRIMINATION IN CREDIT**

#### **4.1 Definitions.**

*"Credit"* means an amount or limit to the extent a person may receive goods, services or money for payment in the future, and includes but is not limited to, loans for any purpose and in any amount, checking accounts, charge accounts, mortgages and other home financing, credit cards and credit ratings.

*"Credit card"* means a card (as one issued by hotels, restaurants, stores, petroleum companies or banks) authorizing the person or company name or its agent to charge goods or services or borrow money.

*"Credit institution"* means banks, savings and loan associations, finance companies, credit departments of all retail businesses, credit rating services, credit card issuers, credit bureaus, credit unions and all other loan, credit, financing and mortgaging institutions.

#### **4.2 Practices prohibited**

**4.2(1)** The criteria used to evaluate applicants for credit and the standards necessary to be met by the successful applicants shall be the same regardless of the age, color, creed, national origin, race, religion, marital status, sexual orientation, gender identity, sex or physical disability of the applicant.

**4.2(2)** No credit institution shall require any information, reference or counter signature of any applicant for credit which would not be required of all applicants, regardless of their age, color, creed, national origin, race, religion, marital status, sexual orientation, gender identity, sex or physical disability.

**4.2(3)** It shall be an unlawful practice for any credit institution to discount or disregard the earning or income of a spouse in computing family income.

**4.2(4)** It shall be an unlawful practice for any credit institution to refuse to loan money or extend credit to a female solely because she is in the child-bearing years or solely because she is divorced, or solely because she is unmarried.

**4.2(5)** It shall be an unlawful practice for any credit institution to extinguish the established credit of any person upon marriage and to require that a new account be opened in the spouse's name.

**4.2(6)** It shall be an unlawful practice for any credit institution to refuse to retain any records of credit transactions when requested in writing.

#### **4.3 Credit inquiries.**

**4.3(1)** A credit application or credit interviewer may inquire as to age, disability, sex or marital status provided the inquiry is made in good faith for a nondiscriminatory purpose. Any inquiry which expresses directly or indirectly any limitation, specification, or discrimination as to age, disability, sex or marital status shall be unlawful.

**4.3(2)** The information required to be given by the applicant for credit should be limited to what is necessary for determining the applicant's financial conditions and prospects for repayment regardless of the applicant's age, color, creed, national origin, race, religion, marital status, sexual orientation, gender identity, sex or physical disability. The consent of a spouse shall not be required where the applicant is otherwise eligible for credit.

#### **4.4 Exception.**

**4.4(1)** Co-signatures may be required of a married couple intending to establish a joint credit account with the company or business issuing the credit card.

**4.4(2)** The exception for co-signatures is limited, and the issuer should presume the applicant is seeking a credit card in applicant's own name regardless of the marital status of the applicant.

**4.4(3)** These rules shall not prohibit any party to a credit transaction from considering the application to the particular case of Iowa law on dower, title, descent, and distribution or from taking constructive action thereon.