

Iowa Debt Cancellation Product Requirements

Credit unions are **required** to notify the Superintendent of the intent to offer debt cancellation products **at least 30 days before offering the product to the membership**. The notification must contain the following information.

- Each type of GAP product that will be offered to the membership.(please include collateral types and whether or not the policies are refundable)
- A complete schedule of fees
- The name of the insurance company the credit union plans to purchase liability protection required by Iowa Administrative Code 189 5.3(3)a and a description of policy limits and deductibles

The rule also requires credit unions to set policies for these programs. The below listing provides aspects credit unions should include in their policies for debt cancellation products.

- Collateral Covered
- Maximum Limit of Liability
- Maximum Allowable Loan Term
- Maximum Loan to Value Ratio
- Maximum Allowable Market Value or Maximum Allowable Loan or Lease Amount
- Primary Insurance Deductible Amount covered
- Primary Insurance Deductible Amount covered
- Availability of Replacement Vehicle Benefits