

CHAPTER 93

(HB 471)

AN ACT relating to financial services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 286.4-533 is amended to read as follows:

Notwithstanding the provisions of KRS 286.4-530(10) or of any other law, in any extension of credit in accordance with Subtitle 4 of KRS Chapter 286, the licensee may charge and collect the following:

- (1) A fee, or premium for insurance, in lieu of perfecting a security interest to the extent that the fee or premium does not exceed the fee payable to public officials for perfecting the security interest;~~{and}~~
- (2) A bad check charge of ~~twenty-five~~**fifteen** dollars ~~(\$25)~~~~(\$15)~~, or the amount passed on from other financial institutions, whichever is greater, for any check, draft, negotiable order of withdrawal, or like instrument returned or dishonored for any reason by a depository institution, which charge licensee may charge and collect, through regular billing procedures, or otherwise from the borrower;~~{and}~~
- (3) A reasonable attorney's fee, in connection with the collection of a loan, actually incurred by the licensee and paid to an attorney who is not an employee of the licensee;
- (4) A charge for credit investigations of one dollar ~~and fifty cents (\$1.50)~~~~(\$1)~~ for each fifty dollars (\$50) or fraction thereof of the principal amount of the loan. This charge shall be permitted only on the first two thousand dollars (\$2,000) of the principal amount of the loan. No charge shall be collected unless a loan has been made as a result of the investigation;~~{and}~~
- (5) An alternative to the default charge described in KRS 286.4-530(4), not to exceed five percent (5%) of each scheduled installment, or ~~fifteen~~~~ten~~ dollars ~~(\$15)~~~~(\$10)~~, whichever is greater. Only one (1) charge may be collected for each scheduled installment; **and**
- (6) ***Costs or other expenses authorized for a secured party in accordance with KRS 355.9-207.***

➔Section 2. KRS 286.4-590 is amended to read as follows:

Each licensee shall annually on or before January 30, file with the executive director a report for the preceding calendar year. The report shall give information with respect to the financial condition of the licensee~~{balance sheets at the beginning and end of the accounting period; a statement of income and expenses for said period; a reconciliation of surplus or net earnings with the balance sheets; a schedule of assets used and useful in the consumer loan business; an analysis of charges, and types of security on loans of fifteen thousand dollars (\$15,000) or less; an analysis of delinquent accounts; analysis of suits, repossessions, and sales of chattels}~~ and other relevant information as the executive director may reasonably require ~~{concerning the business and operations during the preceding calendar year of each licensed place of business conducted in the state}~~. In the event any person or affiliated group of corporations holds more than one (1) license in the state, he, she, or they may file a composite annual report in lieu of separate reports for each licensed office. The report shall be made under oath in the form prescribed by the executive director, who shall make and publish annually an analysis and recapitulation of the reports.

Signed by Governor April 14, 2008.