

**286.3-710 Definitions for KRS 286.3-720 to 286.3-770. (Effective until July 15, 2024)**

As used in KRS 286.3-720 to 286.3-770, unless the context otherwise requires:

- (1) "Bank" means a bank organized under the laws of this state or of the United States, or any assignee of the bank's rights under a revolving credit plan.
- (2) "Credit card" means any single card, plate, or other credit device that is reusable by a debtor from time to time to obtain extensions of credit under a revolving credit plan. Checks, drafts, and similar instruments that can be used only once to obtain a single credit extension are not credit cards.
- (3) "Debtor" means a person to whom or for whose benefit credit is extended pursuant to a revolving credit plan and any other person having actual, implied, or apparent authority to obtain extensions of credit under such plan for the debtor.
- (4) To "extend credit" or "extension of credit" means the right granted by a bank to a debtor to defer payment of debt, incur debt and defer its payment, or purchase goods, services, or anything else of value and defer payment therefor pursuant to a revolving credit plan.
- (5) "Finance charge" means the sum of all charges, payable directly or indirectly by the debtor, and imposed directly or indirectly by a bank as an incident to an extension of credit pursuant to a revolving credit plan, including interest and any amount payable under a point, discount, or other system of additional charges, service or carrying charges, loan fee, finder's fee or similar charge, fees for an investigation or credit report, or premiums or other charges required by the bank to be purchased from or through it or an agency named by it for any guarantee or insurance protecting the bank against the debtor's default or other credit loss. The term does not include amounts, if any, collected by the bank, or included in the extension of credit which are fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to credit extended pursuant to the plan or taxes.
- (6) "Revolving credit plan" or "plan" means an arrangement between a bank and a debtor pursuant to which:
  - (a) The bank may extend credit to the debtor by permitting the debtor to make purchases of goods, services, and anything else of value or obtain loans, from time to time, directly from the bank or indirectly by use of a credit card;
  - (b) The unpaid balances of purchases made, the principal of loans obtained, and finance and other appropriate charges are debited to the debtor's account;
  - (c) A finance charge, if made, is not precomputed, but is computed on the outstanding unpaid balances of the debtor's account from time to time; and
  - (d) The bank renders bills or statements to the debtor at regular intervals, which need not be a calendar month (the "billing cycle"), the amount of which bills or statements is payable by and due from the debtor on a specified date stated in such bill or statement or, at the debtor's option, may be paid in installments.

**Effective:** July 15, 1998

**History:** Amended 1998 Ky. Acts ch. 196, sec. 19, effective July 15, 1998. -- Amended

1984 Ky. Acts ch. 324, sec. 39, effective July 13, 1984; and ch. 349, sec. 1, effective July 13, 1984. -- Created 1972 Ky. Acts ch. 207, sec. 1.

**Formerly codified as KRS 287.710.**

**Legislative Research Commission Note (7/12/2006).** In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.