

286.12-070 Assessment fee -- Renewal report.

- (1) As used in this section, "wholly owned subsidiary" means a subsidiary that is entirely owned or controlled by another person.
- (2)
 - (a) A licensee shall pay an annual assessment fee no later than December 1 of each year.
 - (b) The assessment fee required under this section shall:
 1. Be prescribed by the commissioner by order, which shall be reasonably adjusted by order five (5) years from July 14, 2022, and every five (5) years thereafter;
 2. Be based on the volume of loans serviced in Kentucky, or for Kentucky residents, between October 1 through September 30 of the preceding year; and
 3. Cover the renewal fee for the licensee and any examination-related costs incurred by the department.
 - (c) An adjustment made pursuant to paragraph (b)1. of this subsection may be based on the nonseasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, as published by the United States Bureau of Labor Statistics.
 - (d) The commissioner shall set a minimum and maximum assessment fee to account for low and high volume licensees.
- (3) A licensee shall annually file a written renewal report, in a form prescribed by the commissioner, which shall include:
 - (a) A copy of the licensee's most recent audited annual financial statement or, if the licensee is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent corporation;
 - (b) For the most recent quarter for which data is available prior to the date of filing of the renewal report, but in no event more than one hundred twenty (120) days prior to the renewal report filing date:
 1. A list of the number of student education loans serviced by the licensee in this state;
 2. The dollar amount of the loans referenced in subparagraph 1. of this paragraph; and
 3. The dollar amount of the loans referenced in subparagraph 1. of this paragraph that are currently outstanding;
 - (c) Any material changes to any of the information submitted by the licensee on its original application which have not previously been reported to the commissioner on any other report required under this subtitle;
 - (d) A list of the licensee's permissible investments in accordance with this subtitle, any administrative regulation promulgated pursuant to this subtitle, or any order of the commissioner issued pursuant to this subtitle;

- (e) A certification that the licensee continues to maintain permissible investments in accordance with this subtitle, any administrative regulation promulgated pursuant to this subtitle, or any order of the commissioner issued pursuant to this subtitle; and
 - (f) A list of locations, including names, physical addresses, and telephone numbers, in this state where the licensee is conducting student education loan servicing, if any.
- (4) (a) The failure of a licensee to pay the annual assessment fee required under subsection (2) of this section or to file the written renewal report required under subsection (3) of this section by December 1 shall result in the expiration of the licensee's license by operation of law on December 31 of the same year.
- (b) The commissioner may reinstate a license that has expired pursuant to paragraph (a) of this subsection if, within thirty (30) days of the expiration of the license, the licensee:
1. Becomes compliant with this section; and
 2. Pays a civil penalty equal to one thousand dollars (\$1,000).

Effective: July 14, 2022

History: Created 2022 Ky. Acts ch. 88, sec. 8, effective July 14, 2022.