

1 AN ACT relating to deferred deposit transactions.

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

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 286 IS  
4 CREATED TO READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Available resources" means the total monetary income received by a*  
7 *customer on a regular and ongoing basis during the relevant period,*  
8 *including wages, salaries, disability payments, alimony, child support, rent,*  
9 *interest, and other similar types of income, less any taxes paid or due*  
10 *relating to the income, as verified by a federal tax return, pay stubs, bank*  
11 *records, or related credible records as determined by the commissioner;*

12 *(b) "Expenses" means expenditures that a customer makes for goods and*  
13 *services during the relevant period that are necessary to maintain the*  
14 *customer's health, welfare, and ability to produce income and the health*  
15 *and welfare of the members of the customer's household who are*  
16 *financially dependent on the customer. These expenses include but are not*  
17 *limited to the following:*

18 *1. Housing expenses, verified by a copy of the customer's mortgage or*  
19 *lease agreement;*

20 *2. Utilities, calculated by the monthly average for two (2) months prior to*  
21 *the beginning date of the relevant period of the following bills:*

22 *a. Electricity;*

23 *b. Water;*

24 *c. Gas;*

25 *d. Internet; and*

26 *e. Telephone or cellular telephone;*

27 *3. Property taxes, including any property taxes that will become due*

- 1                   during the relevant period;
- 2                   4. Renter's insurance or homeowner's insurance that will become due
- 3                   during the relevant period;
- 4                   5. Minimum payments on outstanding debts, based on a national credit
- 5                   report and supplemented with information supplied by the customer;
- 6                   6. Current child support and alimony obligations;
- 7                   7. Healthcare expenses that will become due during the relevant period,
- 8                   including premiums for coverage and monthly payments on unpaid
- 9                   medical bills;
- 10                  8. Transportation expenses, including but not limited to car insurance
- 11                  verified by documentation from the customer's car insurance provider,
- 12                  monthly fuel costs calculated by the monthly average of total fuel
- 13                  expense receipts for two (2) months prior to the beginning date of the
- 14                  relevant period, average monthly maintenance and repair costs, and
- 15                  public transportation costs calculated by the monthly average of total
- 16                  public transit receipts for two (2) months prior to the beginning date of
- 17                  the relevant period;
- 18                  9. Any other recurring expenses necessary for the customer to earn
- 19                  income;
- 20                  10. The total fees, including all transaction costs, due during the relevant
- 21                  period to the licensee that is verifying a customer's available resources
- 22                  and expenses; and
- 23                  11. Any other expenses as determined by the commissioner; and
- 24                  (c) "Relevant period" means the period beginning on the date a customer first
- 25                  inquires into the availability of or applies for a deferred deposit transaction
- 26                  and ending one hundred eighty (180) days later. Subsequent inquiries or
- 27                  applications made by that customer to the same licensee during the one

- 1           hundred eighty (180) day period shall not begin a new relevant period if the  
2           maturity date of the deferred deposit transaction resulting from the inquiry  
3           or application occurs during the one hundred eighty (180) day period.
- 4   (2) (a) A licensee shall verify a customer's available resources and expenses for  
5           each relevant period.
- 6           (b) A licensee shall not be required to verify a customer's available resources or  
7           expenses more than once each relevant period.
- 8           (c) A licensee shall not enter into a deferred deposit transaction with a  
9           customer during any relevant period if the licensee determines that the  
10           customer's expenses exceed the customer's available resources for that  
11           relevant period.