

226.080 Maximum interest -- Service charges.

Any pawnbroker, as defined in KRS 226.010, may, in loaning money on deposit of personal property, charge, contract for or receive interest at a rate not exceeding two percent (2%) per month on the unpaid principal balance of the loan, and may charge, contract for and receive a reasonable fee, not to exceed one-fifth (1/5) of the value of the loan per month, for investigating the title, storing and insuring the property, closing the loan, making daily reports to local law enforcement officers and for other expenses, losses and incidental costs associated with servicing such loans. It is further provided that such fee when made and collected shall not be deemed interest for any purpose of law. No pawnbroker shall directly or indirectly charge, receive or contract for any interest or consideration greater than that allowed by this section.

Effective: July 15, 1986

History: Amended 1986 Ky. Acts ch. 186, sec. 1, effective July 15, 1986. -- Created 1946 Ky. Acts ch. 216, sec. 1.