

286.4-580 Prohibited conduct.

- (1) No licensee shall take any confession of judgment or any power of attorney running to himself or to any third person to confess judgment or to appear for the borrower in a judicial proceeding; nor take any note or promise to pay that does not disclose the date and amount of the loan obligation, a schedule or description of the payments to be made thereon, and the rate or aggregate amount of the agreed charges; nor take any instrument in which blanks are left to be filled in after the loan is made.
- (2) No licensee shall enter into any contract of loan under this subtitle under which the borrower agrees to make any scheduled repayment of principal more than sixty (60) months and fifteen (15) days from the date of making such contract if the principal amount of the loan exclusive of interest and charges is three thousand dollars (\$3,000) or less, or one hundred and twenty (120) months if the principal amount of the loan exclusive of interest and charges exceeds three thousand dollars (\$3,000), and every such contract shall provide for repayment of the amount lent in substantially equal installments at approximately equal periodic intervals of time; provided, however, that when appropriate for the purpose of facilitating payment in accordance with the seasonable nature of obligor's main source of income, payments may be deferred or omitted, if all other payments are increased in such manner that such other payments are substantially equal in amount and sufficient in the aggregate to retire the loan in the period of months as hereinabove provided.
- (3) No licensee shall take any mortgage or other lien instrument upon real estate as security for any loan under this subtitle in which the principal is three thousand dollars (\$3,000) or less, unless such lien is subject to a prior mortgage.

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 53, sec. 6, effective July 15, 1982. -- Amended 1970 Ky. Acts ch. 48, sec. 4. -- Created 1960 Ky. Acts ch. 204, sec. 18, effective June 16, 1960.

Formerly codified as KRS 288.580.

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.