

286.8-048 Emergency orders by commissioner -- Grounds -- Hearing -- Period order to remain in effect.

- (1) The commissioner may enter an emergency order suspending, limiting, or restricting the license, claim of exemption, or registration of any mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor without notice or hearing if it appears upon grounds satisfactory to the commissioner that the mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor has engaged or is engaging in unsafe, unsound, and illegal practices that pose an imminent threat to the public interest.
- (2) One (1) or more of the following circumstances shall be considered sufficient grounds for an emergency order under this section if it appears on grounds satisfactory to the commissioner that:
 - (a) The mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor does not meet or has failed to comply with more than one (1) of the requirements of this subtitle and the violations appear to be willful;
 - (b) The mortgage loan broker or mortgage loan company is in such financial condition that it cannot continue in business with safety to its customers;
 - (c) The mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor has been indicted, charged with, or found guilty of any act involving fraud, deception, theft, or breach of trust, or is the subject of an administrative cease-and-desist order or similar order, or of a permanent or temporary injunction currently in effect entered by any court or agency of competent jurisdiction;
 - (d) The mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of doing business in the mortgage lending process, or has engaged in any course of business that has worked or tended to work a fraud or deceit upon any person or would so operate;
 - (e) The mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor has made or caused to be made to the commissioner any false representation of material fact, has refused to permit an examination, or has refused or failed, within a reasonable time, to furnish any information or make any report that may have been requested or required by the commissioner;
 - (f) The mortgage loan broker, mortgage loan company, mortgage loan originator, or mortgage loan processor has had any license, registration, or claim of exemption related to the financial services industry denied, suspended, or revoked under the laws of this state or any other state of the United States, or has surrendered or terminated any license, registration, or claim of exemption issued by this state or any other jurisdiction under threat of administrative action; or

- (g) The surety bond required under KRS 286.8-060 has terminated, expired, or no longer remains in effect.
- (3) An emergency order issued under this section becomes effective when signed by the commissioner. The emergency order shall be delivered by personal delivery or certified mail to the last known address of the party or parties. The order shall be deemed served upon delivery or upon return of the order.
- (4) A party aggrieved by an emergency order issued by the commissioner under this section may request an emergency hearing. The request for hearing shall be filed with the commissioner within twenty (20) days of service of the emergency order.
- (5) Upon receipt of a written request for emergency hearing, the commissioner shall conduct an emergency hearing as required under KRS 13B.125, within ten (10) working days from the date of receipt of the request for hearing, unless the parties agree otherwise.
- (6) An emergency order issued under this section shall remain in effect until it is withdrawn or superseded by an order of the commissioner or until it is terminated by a court order.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 770, effective July 15, 2010. -- Created 2008 Ky. Acts ch. 175, sec. 30, effective April 24, 2008.