

286.8-030 Transaction of business prohibited without license -- Effect of issuance of license -- Unique identifier.

- (1)
 - (a) It is unlawful for any person to transact business in Kentucky, either directly or indirectly, as a mortgage loan company or mortgage loan broker if the mortgage loan company or mortgage loan broker is not licensed in accordance with the requirements of this subtitle, unless that person is exempt under KRS 286.8-020 and, if required by KRS 286.8-020(3) has timely filed a completed application for a claim of exemption, and the filed application for a claim of exemption has been approved by the commissioner.
 - (b) It is unlawful for any natural person to make a loan under KRS 286.8-020(10) without making the disclosure required by KRS 286.8-020(7).
 - (c) It is unlawful for any natural person to transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor, unless otherwise exempted, if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255.
 - (d) It is unlawful for any mortgage loan company or mortgage loan broker to employ or use a mortgage loan originator or a mortgage loan processor if the mortgage loan originator or mortgage loan processor is not registered in accordance with KRS 286.8-255 or otherwise exempted.
 - (e) It is unlawful for any mortgage loan company to employ or use, with or without compensation, a mortgage loan broker if the mortgage loan broker is not licensed in accordance with the requirements of this subtitle unless that person is exempt under KRS 286.8-020 and, if required by KRS 286.8-020(3), has timely filed a completed application for a claim of exemption, and the filed application for a claim of exemption has been approved by the commissioner.
- (2) Neither the fact that a license or certificate of registration has been issued nor the fact that any person, business, or company is effectively registered or licensed, constitutes a finding by the commissioner that any document filed under this subtitle is true, complete, and not misleading. Nor does such fact directly or indirectly imply approval of the registrant or licensee by the commissioner or the Commonwealth of Kentucky. It is unlawful to make or cause to be made to any prospective customer or client any representation inconsistent with this subsection.
- (3) Any mortgage loan company or mortgage loan broker who willfully transacts business in Kentucky in violation of subsection (1) of this section shall have no right to collect, receive, or retain any interest or charges whatsoever on a loan contract, but the unpaid principal of the loan shall be paid in full.
- (4) Each solicited, attempted, or closed loan shall constitute a separate violation of this section.
- (5) The unique identifier, name, and signature of any person originating a mortgage loan shall be clearly shown on the mortgage loan application. It shall be unlawful to make or cause to be made any representations on a mortgage

loan application that are inconsistent with this subsection. The unique identifier shall also be displayed on solicitations or advertisements, including business cards or Web sites, of all persons holding themselves out as being able to originate mortgage loans in Kentucky, and any other document as established by rule, regulation, or order of the commissioner.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 764, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 104, sec. 4, effective June 25, 2009. -- Amended 2008 Ky. Acts ch. 175, sec. 6, effective April 24, 2008. -- Amended 2006 Ky. Acts ch. 218, sec. 11, effective July 12, 2006. -- Amended 2003 Ky. Acts ch. 64, sec. 3, effective June 24, 2003. -- Amended 2001 Ky. Acts ch. 98, sec. 2, effective June 21, 2001. -- Amended 1986 Ky. Acts ch. 461, sec. 3, effective July 15, 1986. -- Created 1980 Ky. Acts ch. 365, sec. 4, effective July 15, 1980.

Formerly codified as KRS 294.030.

Legislative Research Commission Note (7/12/2006). This section was amended in 2006 Ky. Acts ch. 218. In that same session, 2006 Ky. Acts ch. 247, sec. 38, required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286. In addition, KRS references have been adjusted to conform with the renumbering.