

### **286.7-500 Delinquency charges.**

- (1) Delinquency charges may be made not to exceed five cents (\$0.05) for each dollar (\$1) of each installment more than ten (10) days in arrears, and only one (1) delinquency charge shall be made on any one (1) installment. No delinquency charge shall exceed five dollars (\$5) on any one (1) installment. A certificate holder and borrower may agree in writing to a deferral of all or part of one (1) or more unpaid installments, and the certificate holder may make and collect a charge not exceeding a rate of seven dollars (\$7) per one hundred dollars (\$100) per annum. In addition to such charges attorneys' fees not exceeding fifteen percent (15%) of the unpaid balance and court costs may be collected, provided that the note is referred to an attorney not a salaried employee of the holder for collection.
- (2) The certificate holder shall permit the borrower to repay his loan in whole or in part at any time. If a loan is paid in full prior to maturity, the certificate holder shall make a rebate at a rate not less than in accordance with the Rule of 78s if the maximum financing charge permitted under KRS 286.7-410 to 286.7-600 has been taken. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate. Provided, however, the certificate holder shall be permitted in computing rebates to retain a minimum charge of ten dollars (\$10) to cover its acquisition costs and where the amount of credit for anticipation of repayment is less than one dollar (\$1), no rebate need be made.

**History:** Amended 1972 Ky. Acts ch. 317, sec. 4. -- Created 1962 Ky. Acts ch. 166, sec. 6(3) and (4).

**Formerly codified as** KRS 291.500.

**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.