

286.4-533 Authorized charges for extension of credit.

Notwithstanding the provisions of KRS 286.4-530(10) or of any other law, in any extension of credit in accordance with this subtitle, the licensee may charge and collect the following:

- (1) A fee, or premium for insurance, in lieu of perfecting a security interest to the extent that the fee or premium does not exceed the fee payable to public officials for perfecting the security interest;
- (2) A bad check charge of twenty-five dollars (\$25), or the amount passed on from other financial institutions, whichever is greater, for any check, draft, negotiable order of withdrawal, or like instrument returned or dishonored for any reason by a depository institution, which charge licensee may charge and collect, through regular billing procedures, or otherwise from the borrower;
- (3) A reasonable attorney's fee, in connection with the collection of a loan, actually incurred by the licensee and paid to an attorney who is not an employee of the licensee;
- (4) A loan processing fee of five percent (5%) of the original principal amount of the loan. This charge shall be limited to a maximum of one hundred fifty dollars (\$150). Any charge collected up to and including fifty dollars (\$50) shall be nonrefundable. In the event of prepayment, any loan processing fee above fifty dollars (\$50) shall be subject to refund in the same manner as other charges pursuant to KRS 286.4-530(6). A loan processing fee may only be charged once on a loan or refinance within any ninety (90) day period;
- (5) An alternative to the default charge described in KRS 286.4-530(4), not to exceed five percent (5%) of each scheduled installment, or fifteen dollars (\$15), whichever is greater. Only one (1) charge may be collected for each scheduled installment; and
- (6) Costs or other expenses authorized for a secured party in accordance with KRS 355.9-207 and 355.9-607.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 120, sec. 10, effective June 27, 2019. -- Amended 2010 Ky. Acts ch. 28, sec. 21, effective July 15, 2010. -- Amended 2008 Ky. Acts ch. 93, sec. 1, effective July 15, 2008. -- Amended 2000 Ky. Acts ch. 157, sec. 4, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 198, sec. 4, effective July 15, 1998. -- Created 1992 Ky. Acts ch. 222, sec. 1, effective July 14, 1992.

Formerly codified as KRS 288.533.

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.