

286.4-540 Duties of licensee.

Every licensee shall:

- (1) Deliver to the borrower at the time of making a loan, or to one (1) of them if there are two (2) or more obligors on the loan, a statement showing in clear and distinct terms the amount and date of the loan and the date of its maturity, the nature of the security for the loan, the name and address of the borrower and of the licensee, the schedule of payments or a description thereof, and the agreed charges or rate of charge on such loan provided, that when charges are contracted for under KRS 286.4-530(1), the statement shall show the cash advance and the amount of the note including charges, the additional charges contracted for in case of default or deferment and that a refund is required for prepayment in full;
- (2) Furnish to the borrower a receipt for each cash payment made on account of any such loan at the time each payment is made but no receipt need be given where payment is made by check or money order; and the use of a coupon book system shall be deemed compliance with this section;
- (3) Upon the repayment of the loan in full, mark indelibly with the word "Paid" or "Canceled" every obligation signed by the borrower and release or provide the borrower with evidence to release any mortgage which no longer secures an obligation, restore any pledge, and cancel and return every note and assignment given to the licensee by the borrower.

Effective: June 16, 1960

History: Created 1960 Ky. Acts ch. 204, sec. 14, effective June 16, 1960.

Formerly codified as KRS 288.540.

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.