

286.4-570 Wage purchases -- Assignment of compensation.

- (1) The payment of fifteen thousand dollars (\$15,000) or less in money, credit, goods, or things in action, as consideration for any sale, assignment, or order for the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, shall be deemed for the purposes of regulation under this subtitle, a loan secured by such assignment, and the amount by which such assigned compensation exceeds the amount of such consideration actually paid shall be deemed for the purposes of regulation under this subtitle interest or charges upon such loans from the date of payment to the date such compensation is payable. Such transaction shall be governed by and subject to the provisions of this subtitle.
- (2) No assignment of or order for payment of any salary, wages, commissions, or other compensation for services, earned or to be earned, when taken as security for any loan made under this subtitle, shall be valid unless the amount of the loan is paid to the borrower simultaneously with its execution. Under any assignment of or order for the payment of future salary, wages, commissions, or other compensation for services given as security for a loan made under this subtitle, there shall not at any time be collectible from the employer of the borrower more than ten percent (10%) of the amount then owing the borrower for any such salary, wages, commissions or other compensation for services.

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 53, sec. 5, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 107, sec. 3, effective July 15, 1980. -- Amended 1970 Ky. Acts ch. 48, sec. 5. -- Created 1960 Ky. Acts ch. 204, sec. 17, effective June 16, 1960.

Formerly codified as KRS 288.570.

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.