

**286.5-501 Payment of expenses of loan -- Payments in lieu.**

- (1) Every association may require borrowing members to pay all reasonable expenses incurred in connection with the making, closing, disbursing, extending, readjusting, or renewing of real estate loans. Without limiting the generality of the foregoing, such expenses may include appraisal, attorneys' fees, abstract, recording, and registration fees, title examination, title insurance, mortgage insurance, credit report, survey, drawing of papers, escrow services, loan closing costs, and taxes or charges imposed upon or in connection with the making and recording of any mortgage.
- (2) Every association also may require borrowing members to pay the cost of all other necessary and incidental services rendered by the association or by others in connection with real estate loans in such reasonable amounts as may be fixed by the board of directors. Without limiting the generality of the foregoing, such costs may include the costs of services of inspectors, engineers, and architects.
- (3) Such initial charges may be collected by the association from the borrower and paid to any person, including any director, officer, or employee of the association rendering such services, or paid directly by the borrower.
- (4) In lieu of such initial charges to cover such expenses and costs, an association may make a reasonable charge, part or all of which may be retained by the association which renders such service, or part or all of which may be paid to others who renders such services.
- (5) The fees and charges authorized by this section and KRS 286.5-491 shall be in addition to interest authorized by law, and shall not be deemed to be a part of the interest collected or agreed to be paid on such loans within the meaning of any law of this Commonwealth which limits the rate of interest which may be exacted in any transaction.

**Effective:** June 18, 1964

**History:** Created 1964 Ky. Acts ch. 138, sec. 31, effective June 18, 1964.

**Formerly codified as** KRS 289.501.

**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.