

286.8-125 Limitation on loan originator's fee.

- (1) It shall be unlawful for any licensee or person holding a claim of exemption to originate a loan secured by a mortgage on residential real property in Kentucky if the total net income generated by the licensee or person exceeds two thousand dollars (\$2,000) or four percent (4%) of the total loan amount, whichever is greater.
- (2) As used in this section, unless the context requires otherwise:
 - (a) "Total net income" means any and all fees, income, or compensation of any kind collected, received, or charged by the licensee or person holding a claim of exemption, or by an affiliate of the licensee or person holding a claim of exemption. "Total net income" includes but is not limited to origination fees, broker fees, lender fees and discount points if retained by the originating licensee or person as income, processing fees, administrative fees, document preparation fees, yield spread premiums, servicing release premiums, and financial counseling fees. "Total net income" does not include interest on the mortgage loan itself, or fees paid to compensate unaffiliated third parties; and
 - (b) "Total loan amount" means the amount financed in the mortgage loan less the total net income generated by the originating licensee or person, or the affiliate of the originating licensee or person.

Effective: April 24, 2008

History: Created 2008 Ky. Acts ch. 175, sec. 26, effective April 24, 2008.