

1 AN ACT relating to deferred deposit transactions.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 286 IS
4 CREATED TO READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Available resources" means the total monetary income received by a*
7 *customer on a regular and ongoing basis during the relevant period,*
8 *including wages, salaries, disability payments, alimony, child support, rent,*
9 *interest, and other similar types of income, less any taxes paid or due*
10 *relating to the income, as verified by a federal tax return, pay stubs, bank*
11 *records, or related credible records as determined by the commissioner;*

12 *(b) "Expenses" means expenditures that a customer makes for goods and*
13 *services during the relevant period that are necessary to maintain the*
14 *customer's health, welfare, and ability to produce income and the health*
15 *and welfare of the members of the customer's household who are*
16 *financially dependent on the customer. These expenses include but are not*
17 *limited to the following:*

18 *1. Housing expenses, verified by a copy of the customer's mortgage or*
19 *lease agreement;*

20 *2. Utilities, calculated by the monthly average for two (2) months prior to*
21 *the beginning date of the relevant period of the following bills:*

22 *a. Electricity;*

23 *b. Water;*

24 *c. Gas;*

25 *d. Internet; and*

26 *e. Telephone or cellular telephone;*

27 *3. Property taxes, including any property taxes that will become due*

- 1 during the relevant period;
- 2 4. Renter's insurance or homeowner's insurance that will become due
- 3 during the relevant period;
- 4 5. Minimum payments on outstanding debts, based on a national credit
- 5 report and supplemented with information supplied by the customer;
- 6 6. Current child support and alimony obligations;
- 7 7. Healthcare expenses that will become due during the relevant period,
- 8 including premiums for coverage and monthly payments on unpaid
- 9 medical bills;
- 10 8. Transportation expenses, including but not limited to car insurance
- 11 verified by documentation from the customer's car insurance provider,
- 12 monthly fuel costs calculated by the monthly average of total fuel
- 13 expense receipts for two (2) months prior to the beginning date of the
- 14 relevant period, average monthly maintenance and repair costs, and
- 15 public transportation costs calculated by the monthly average of total
- 16 public transit receipts for two (2) months prior to the beginning date of
- 17 the relevant period;
- 18 9. Any other recurring expenses necessary for the customer to earn
- 19 income;
- 20 10. The total fees, including all transaction costs, due during the relevant
- 21 period to the licensee that is verifying a customer's available resources
- 22 and expenses; and
- 23 11. Any other expenses as determined by the commissioner; and
- 24 (c) "Relevant period" means the period beginning on the date a customer first
- 25 inquires into the availability of or applies for a deferred deposit transaction
- 26 and ending one hundred eighty (180) days later. Subsequent inquiries or
- 27 applications made by that customer to the same licensee during the one

- 1 hundred eighty (180) day period shall not begin a new relevant period if the
2 maturity date of the deferred deposit transaction resulting from the inquiry
3 or application occurs during the one hundred eighty (180) day period.
- 4 (2) (a) A licensee shall verify a customer's available resources and expenses for
5 each relevant period.
- 6 (b) A licensee shall not be required to verify a customer's available resources or
7 expenses more than once each relevant period.
- 8 (c) A licensee shall not enter into a deferred deposit transaction with a
9 customer during any relevant period if the licensee determines that the
10 customer's expenses exceed the customer's available resources for that
11 relevant period.