



Description



KANSAS SUPERVISED LOAN LICENSE

A Supervised Loan is defined in Kansas as a loan to which the annual percentage rate exceeds 12% per year made by a person regularly engaged in the business of making loans in which: the debtor is a person other than an organization; the debt is incurred primarily for personal, family, or household purpose; either the debt is payable by written agreement in more than four installments or a finance charge is made; and either the amount financed does not exceed \$25,000.

Who is required to have this license?

The principal place of business for any entity making supervised loans involving Kansas consumers; taking assignments of and directly or indirectly, including through the use of servicing contracts or otherwise, undertaking collection of payments from debtors arising from supervised loans involving Kansas consumers; or taking assignments of and directly or indirectly, including through the use of servicing contracts or otherwise, enforcing rights against debtors arising from supervised loans involving Kansas consumers.

Any entity desiring to conduct consumer credit business with Kansas consumers under the Kansas Uniform Consumer Credit Code must file a company new application through NMLS for their principal place of business. All additional locations where consumer credit business is conducted with Kansas consumers whether located in Kansas or not must be separately authorized and will require a branch new application through NMLS to obtain a branch license.

Who does not need this license?

- Entities meeting the definition of a supervised financial organization or the federal deposit insurance corporation acting in its corporate capacity or as receiver. *K.S.A. 16a-2-301*

"Supervised financial organization" means a person, other than an insurance company or other organization primarily engaged in an insurance business:

- (a) Organized, chartered, or holding an authorization certificate under the laws of any state or of the United States which authorize the person to make loans and to receive deposits, including a savings, share, certificate or deposit account; and
 - (b) subject to supervision by an official or agency of such state or of the United States.
- K.S.A. 16a-1-301(44)*

- Entities engaged solely in non-depository mortgage business and licensed as mortgage companies per the Kansas Mortgage Business Act (*K.S.A. 9-2201 et seq.*) and not engaged in consumer credit business involving non-real estate collateral and not engaged in unsecured consumer credit business. *K.S.A. 9-2203(d)*

Pre-requisites for license applications?

- Each licensee or applicant for a supervised loan license shall submit and maintain a surety bond in the following amount:
 - \$100,000 for the first licensed place of business, plus an additional \$25,000 for each additional licensed place of business to a maximum of \$300,000.
- Criminal background check and credit check are required for each direct owner, officer, and partner of the licensee or applicant, including but not limited to all individuals listed in the application section Direct Owners and Executive Officers, which are presumed to be control persons.

A social security number is requested pursuant to K.S.A. 74-148, K.S.A. 9-2201, *et seq.*, K.S.A. 16a-1-101 *et seq.*, and/or K.S.A. 50-1116, *et seq.* The social security number may be used for the following purposes: as a means of identification, to complete an investigation into your criminal history and financial background, to verify information in your application, to verify licensure in another state, identification purposes in national databases (including the Nationwide Mortgage Licensing System (NMLS)), testing and examination identification, to collect monies through the State of Kansas Setoff Program or through a contracted collection agency or law firm. The social security number may be shared with any agency of the United States, any state agency, any governmental agency, or any associations representing governmental agencies which are necessary or beneficial to the administration of the Kansas Mortgage Business Act, K.S.A. 9-2201, *et seq.*, the Uniform Consumer Credit Code, K.S.A. 16a-1-101, *et seq.*, or the Credit Services Organization Act, K.S.A. 50-1116, *et seq.*

WHO TO CONTACT – Contact the Kansas Office of the State Bank Commissioner, Division of Consumer and Mortgage Lending licensing staff by phone at 785-296-2266 or send questions via email to: licensing@osbckansas.org

YOU ARE NOT AUTHORIZED TO ENGAGE IN MORTGAGE ACTIVITIES IN THE STATE OF KANSAS UNTIL YOU HAVE RECEIVED APPROVAL FROM THE KANSAS OFFICE OF THE STATE BANK COMMISSIONER. THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.