

**16a-2-310. Prohibited acts by persons licensed or registered under act.** (1) No person required to be licensed or registered under this act shall directly or indirectly:

- (a) Delay closing of a loan for the purpose of increasing interest, costs, fees or charges payable by the borrower;
- (b) misrepresent the material facts or make false promises intended to influence, persuade or induce a consumer to enter into a loan;
- (c) misrepresent to or conceal from an applicant for a loan, a mortgagor or a lender, material facts, terms or conditions of a transaction to which the person required to be licensed or registered is a party;
- (d) engage in any transaction, practice or business conduct that is not in good faith or that operates a fraud upon any person in connection with the making of or purchase or sale of any loan;
- (e) receive compensation for making a residential mortgage loan where the licensee or registrant has otherwise acted as a real estate broker or agent in connection with the sale of the real estate which secures the mortgage transaction unless the person required to be licensed or registered has provided written disclosure to the person from whom compensation is collected that the person is receiving compensation both for making the loan and for real estate broker or agent services;
- (f) engage in any fraudulent lending or underwriting practices;
- (g) advertise, display, distribute, broadcast or televise, or cause or permit to be advertised, displayed, distributed, broadcast or televised, in any manner, any false, misleading or deceptive statement or representation with regard to rates, terms or conditions for a loan;
- (h) record a mortgage if moneys are not available for immediate disbursement to the mortgagor unless, before that recording, the person required to be licensed or registered informs the mortgagor in writing of a definite date by which payment shall be made and obtains the mortgagor's written permission for the delay;
- (i) transfer, assign or attempt to transfer or assign, a license or registration to any other person, or assist or aide and abet any person who does not hold a valid license or registration under this act in engaging in the conduct of mortgage business;
- (j) solicit or enter into a contract with a borrower that provides in substance that the person required to be licensed or registered may earn a fee or commission through best efforts to obtain a loan even though no loan is actually obtained for the borrower;
- (k) solicit, advertise or enter into a contract for specific interest rates, points or other financing terms unless the terms are actually available at the time of soliciting, advertising or contracting;
- (l) make any payment, threat or promise to any person for the purposes of influencing the independent judgment of the person in connection with a residential mortgage loan, or make any payment, threat or promise to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property or engage in any activity that would constitute a violation of K.S.A. 58-2344, and amendments thereto; or
- (m) fail to comply with the uniform consumer credit code, or rules and regulations promulgated thereunder, or fail to comply with any other state or federal law, including the rules and regulations promulgated thereunder, applicable to any business authorized or conducted under the uniform consumer credit code.

(2) This section shall be part of and supplemental to the uniform consumer credit code.

**History:** L. 2009, ch. 29, § 3; July 1.