

2018 Kansas Statutes

50-1006. Disclosure document to be provided by loan broker; when; contents; amendment of document; estimated disclosure documents and additional documents detailing specific loan information to be provided. (a) At least seven days before the time any person signs a contract for the services of a loan broker, or seven days before the loan broker receives any consideration upon the contract, whichever occurs first, the loan broker must provide to the contracting person a written disclosure document that meets the requirements set forth in subsection (b).

(b) A written disclosure document shall contain the following information:

(1) A disclosure statement which shall be the cover sheet and shall be entitled in at least 10 point boldface capital letters "DISCLOSURES REQUIRED BY KANSAS LAW." Under this title shall appear the statement in at least 10 point type that "The Kansas securities commissioner has not reviewed and does not approve, recommend, endorse or sponsor any loan brokerage contract. The information contained in this disclosure has not been verified by the commissioner. If you have any questions see an attorney before you sign a contract or agreement." Nothing except the title and the required statement shall appear on the cover sheet;

(2) the name and form of organization of the broker, the names under which the broker has done, is doing, or intends to do business, and the name of any parent organization or affiliate of the broker;

(3) the names, addresses and titles of the broker's officers, directors, trustees, general partners, general managers, principal executives and any other person performing similar duties;

(4) the length of time the broker has conducted business as a loan broker;

(5) a full and detailed description of the actual services that the loan broker undertakes to perform for the prospective borrower;

(6) the number of loan brokerage contracts the broker has entered into within the past 12 months;

(7) the number of loan brokerage contracts in which the broker has successfully obtained a loan for the prospective borrower within the last 12 months and the dollar amount of the loans;

(8) financial statements for the loan broker's last fiscal year presented in accordance with generally accepted accounting principles, and reviewed by an independent accountant in accordance with standards established by the American institute of certified public accountants, except that for initial applications for registration, the financial statements shall include a balance sheet dated within four months of filing for registration;

(9) a specific statement of the circumstances under which the broker will be entitled to obtain or retain consideration from the party with whom the broker contracts; and

(10) any other information the commissioner may require.

(c) A loan broker shall amend the disclosure document required by subsection (b) whenever necessary to prevent it from containing any false or misleading statement of a material fact and shall deliver a copy of the amended disclosure document to the commissioner on or before the date of the amendment.

(d) A loan broker shall deliver to any person who proposes to become obligated for a loan an estimated disclosure document if the creditor would be required to deliver to the person a disclosure document under the Truth-in-Lending Act (15 U.S.C. 1601-1667e) for the transaction. The estimated disclosure document shall:

(1) Be delivered to the person before the person becomes contractually obligated on the loan; or

(2) be delivered or placed in the mail to the person not later than three business days after the person enters into an agreement with the loan broker whichever occurs first. The estimated disclosure document must contain all of the information and be in the form required by the Truth-in-Lending Act (15 U.S.C. 1601-1667e) and regulations under the act. However, the annual percentage rate, finance charge, total of payments and other matters required under the Truth-in-Lending Act (15 U.S.C. 1601-1667e) shall be adjusted to reflect the amount of all fees and charges of the loan broker that the creditor could exclude from an estimated disclosure document. The estimated disclosure document must state at the top in at least 10 point type: "The following is an estimated disclosure document showing your loan transaction as if the fees and charges you are scheduled to pay us were charged to you directly by the creditor." After the estimated disclosure document is delivered to any person, the loan broker shall deliver to the person an additional statement redisclosing all items if the actual annual percentage rate will vary from the annual percentage rate contained in the original estimated disclosure by more than 0.125%. Any required additional disclosure document shall be delivered or placed in the mail before consummation of the loan or after three days from when the information that requires redisclosure becomes available, whichever occurs first.

History: L. 1988, ch. 328, § 6; L. 1992, ch. 226, § 9; July 1.