

**Kentucky Office of Financial Institutions**  
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**Frankfort, KY 40601**  
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[www.kfi.ky.gov](http://www.kfi.ky.gov)

**June 5, 2006**

**HUD-Exempt Entities**  
**Compliance Procedures for Changes to KRS 286.8**  
**House Bill 462 - Effective July 12, 2006**

- Effective July 12, 2006, HUD-exempt entities (mortgage lenders, brokers **and branches**) must report annually by Jan. 15 the number of FHA-insured mortgage loans that were originated on Kentucky Properties during the preceding calendar year.
- **Jan. 15, 2007, is the due date for the initial report.** This report should include all FHA insured mortgage loans originated during calendar year 2006 by the responding entity.
- A current HUD-exempt mortgage entity (lender, broker or branch) must apply for licensure with OFI no later than 30 days after the reporting deadline of Jan. 15, 2007, if it does not meet the minimum FHA loan requirement outlined in House Bill 462 (12 FHA-insured loans on Kentucky properties in calendar year 2006).
- On or about Jan. 30, 2007, OFI will revoke any current HUD exemption for an entity that does not file the required report for calendar year 2006.
- On or about Feb. 15, 2007, OFI will revoke any current HUD exemption for an entity that did not meet the 12 FHA loan requirement and has not yet applied for licensure.
- If a currently HUD-exempt entity knows prior to the reporting deadline that they will not meet the 12 FHA loan requirement for calendar year 2006, the entity should apply for licensure within 30 days of knowing that it will not meet the FHA loan requirement. This is to avoid possible delays in the application process that could result from heavy application volume in February 2007.
- The reporting form will be designed and made available online prior to December 2006. The Office of Financial Institutions Web site is [www.kfi.ky.gov](http://www.kfi.ky.gov).