



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY CASE NO. 2024-AH-00013

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

ALBANY LOAN COMPANY

RESPONDENT

AGREED ORDER

STATEMENT OF FACTS

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing entities and certain individuals engaged in the business of making loans to consumers for personal, family, or household use in the amount of fifteen thousand dollars (\$15,000) or less at an interest rate greater than usury in accordance with the provisions set forth in Kentucky Revised Statutes (KRS) Chapter 286.4 (“The Act”).

2. Albany Loan Company, Inc. (“Respondent”) is authorized to do business in Kentucky as a consumer loan company, License No. 1382, pursuant to KRS Chapter 286.4 with an address of 805 North Cross Street, Albany, Kentucky 42602.

3. On December 1, 4, and 7, 2023, the DFI conducted an examination of Respondent.

4. During the examination, it was found that Respondent had two accounts for which borrowers were charged an insurance premium for personal property insurance which was written for an amount greater than the value of the property.

5. A similar violation was discovered in a previous examination of Respondent conducted on June 17, 20, and 21, 2022.

STATUTORY AUTHORITY

6. KRS 286.4-560 states, in part, "(1) A licensee may request a borrower to insure tangible personal property, except household goods, offered as security for a loan exceeding three hundred dollars (\$300) under this subtitle against any substantial risk of loss, damage, or destruction for an amount not to exceed the actual value of such property..."

7. KRS 286.4-990 (1) states, in part, "(a) For any repetitive violation of this subtitle ...the commissioner may levy a civil penalty against any licensee," and "(b) The civil penalty shall not be less than two hundred fifty dollars (\$250) or more than two thousand five hundred dollars (\$2,500) per violation..."

VIOLATIONS

8. Respondent violated KRS 286.4-560 (1) by collecting an insurance premium for an amount greater than the value of the personal property used as collateral on two loan accounts. These are repetitive violations, as similar violations were found in a previous examination.

AGREEMENT AND ORDER

9. Respondent neither admits nor denies violating any provision of KRS 286.4 or any regulations promulgated thereunder.

10. To resolve this matter without litigation or other adversarial proceedings, DFI and Respondent agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

11. In the interest of economically and efficiently resolving the violations described herein, DFI and Respondent agree as follows:

a. Respondent agrees to pay a civil penalty assessment in the amount of five hundred dollars (\$500) for the violations described herein, which shall be payable upon entry of this order;

b. All payments shall be made electronically through the NMLS system;

c. Respondent shall cease and desist from any future violations of the Kentucky Financial Services Code;

d. Respondent waives their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Order;

e. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

f. In consideration of execution of this Agreed Order, Respondent hereby releases and forever discharges the Commonwealth of Kentucky, The Department of Financial Institutions, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

g. By signing below, Respondent acknowledges he has read the foregoing Agreed Order and knows and fully understands its contents; and

h. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 31st day of July, 2024.

/s/ Marni Rock Gibson

MARNI ROCK GIBSON,
COMMISSIONER

Consented to:

On behalf of the Department of Financial Institutions:

This 31 day of JULY, 2024

Hannah Carlin

Hannah Carlin, Director
Division of Non-Depository Institutions

AND

On behalf of Albany Loan Company, Inc.:

This 19 day of July, 2024

[Signature]

Title: *President*

ACKNOWLEDGEMENT

STATE OF TN)
)
COUNTY OF Pickett)

On this the 19 day of July, 2024, before me Mirna Officer (please print name), the undersigned, did personally appear and that he/she entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 6-27-24

Misty Smith
Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 31st
day of July, 2024, by certified mail, return receipt requested, to:

Tammy Basham
Albany Loan Company
805 North Cross St.
Albany, KY 42602

Michael Officer, President/COO
People's Bank and Trust Co of Pickett County
19 Courthouse Square
Byrdstown, TN 38549

Via hand-delivery to:

Elizabeth Borders
Staff Attorney
Department of Financial Institutions
500 Mero Street 2SW19
Frankfort, Kentucky 40601
elizabethf.borders@ky.gov

Kentucky Department of Financial Institutions

Name: Austin Reed

Title: Executive Staff Advisor