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Katie Comstock
Director

MEMORANDUM

TO: Eric Richardson, Staff Attorney, Department of Financial Institutions, PPC

FROM: Ange Darnell, Regulations Compiler

RE: Proposed Amendment or New Regulation – 808 KAR 009:010.

DATE: August 13, 2026

A copy of the administrative regulation listed above is enclosed for your files. If this administrative regulation follows the standard KRS Chapter 13A timeline, it would be tentatively scheduled for a full review by the Administrative Regulation Review Subcommittee at its **NOVEMBER 2026** meeting.

Pursuant to KRS 13A.280, ***if*** comments are received during the public comment period, a Statement of Consideration or a one-month extension request for this regulation would be due **by noon on November 13, 2026.** Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

FILED WITH LRC
TIME: 2:10pm
AUG 13 2026
Amy Darnell
REGULATIONS COMPILER

PUBLIC PROTECTION CABINET

Department of Financial Institutions

Division of Non-Depository Institutions

(Amendment)

808 KAR 9:010. Deferred deposit database compliance.

RELATES TO: KRS 286.9-010(7), 286.9-075, 286.9-100(1), (7), (9), (10), (18), (19), 286.9-140.

STATUTORY AUTHORITY: KRS 286.9-090(1), 286.9-100, 286.9-140(1).

NECESSITY, FUNCTION, AND CONFORMITY: KRS 286.9-100(9) prohibits licensees from having more than two (2) deferred deposit transactions from any one (1) customer at any one (1) time [~~and limits the total proceeds received by a customer from all deferred deposit transactions to $500~~]. KRS 286.9-140(1) requires the commissioner to implement a common database with real-time access through an internet connection accessible to the department and licensees to verify whether any deferred deposit transactions are outstanding for a particular person and authorizes the commissioner to adopt rules to administer and enforce KRS 286.9-140. This administrative regulation establishes requirements for licensee use of the database established pursuant to KRS 286.9-140.

Section 1. Closed Deferred Deposit Service Transactions. The Commissioner deems the following occurrences as closed deferred deposit service transactions pursuant to KRS 286.9-010(7)(e):

(1) The customer's payment instrument was unpaid and the licensee has sold the underlying debt to a non-affiliated third party without recourse;

(2) The underlying debt represented by the customer's payment instrument has been discharged in bankruptcy;

(3) The database provider has designated the deferred deposit transaction concerning the customer's payment instrument as closed pursuant to KRS 286.9-140(7); or

(4) The licensee has reported to the database provider that the deferred deposit transaction concerning the customer's payment instrument is closed following being held open pursuant to KRS 286.9-140(7).

Section 2. Deferred Deposit Database Requirements.

(1) A licensee shall institute procedures and maintain an accounting system designed to:

(a) Prevent the licensee from entering into transactions with a customer in violation of KRS 286.9-100(9), including procedures for:

1. Maintaining a record of all current transactions with the licensee; and
2. Checking the record of current transactions with the database prior to issuance of a new transaction; and

(b) Generate reports that will readily permit examination and verification of compliance with KRS 286.9-100(9), KRS 286.9-140, and this section by department examiners.

(2) For each deferred deposit transaction, a licensee shall submit:

(a) The customer's date of birth;

(b) The check number of the payment instrument, if applicable;

(c) The database verification fee in accordance with KRS 286.9-140(2) [~~of $2.25, which may be charged to the customer~~];

(d) The service fee charged to the customer; and

(e)The date the payment instrument was deposited or otherwise presented for payment.

(3) A licensee shall indicate in the database whether the customer entered into the deferred deposit transaction in person, electronically, or via telephone.

(4) A licensee shall not cause a closed deferred deposit transaction to be reopened in the database unless:

(a) The deferred deposit transaction was closed by reason of clerical error by the licensee;

(b) The licensee caused the deferred deposit transaction to be reopened on or before the close of business on the business day after the transaction was closed; and

(c) Reopening the transaction would not cause the customer to exceed the transaction limits set forth in KRS 286.9-100(9).

(5) A licensee shall not accept, collect, or seek payment on a deferred deposit transaction that is designated as closed in the database, except as permitted in KRS 286.9-140(7)(c).

(6) A licensee that has reported to the database provider that a deferred deposit transaction is open beyond the maturity date pursuant to KRS 286.9-140(7) shall immediately notify the database provider when the transaction becomes closed.

(7) A new licensee or an existing licensee applying for an additional location shall establish an account with the database provider for each location prior to the time of application.

APPROVED:

Marni Rock Gibson

Marni Rock Gibson, Commissioner, Department of Financial Institutions

DJ Wasson, Secretary, Public Protection Cabinet

APPROVED:

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Marni Rock Gibson, Commissioner, Department of Financial Institutions

DJ Wasson
DJ Wasson, Secretary, Public Protection Cabinet