

Kentucky Stops Licensing Payday Lenders

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On March 19, 2019, Kentucky enacted Senate Bill 145. SB 145 amends Subtitle 9 of the Kentucky Financial Services Code, Ky. Rev. Stat. §§ 286.9-010 *et seq.* The amended Ky. Rev. Stat. § 286.9-071 states that the Department of Financial Institutions "shall not issue additional deferred deposit service business licenses."

Payday lenders currently use the deferred deposit service business license to operate in Kentucky. The amendment permanently extends the 10-year moratorium on new deferred deposit service business licenses enacted July 1, 2009, which was due to expire this summer. SB 145 becomes effective June 26, 2019.

SB 145 also creates a check cashing license separate from a deferred deposit service business license. Before the 2009 moratorium, businesses would obtain a single license that allowed them to operate both as a check casher as well as a deferred deposit service business. Now businesses may obtain a separate check cashing license. Businesses that currently hold a deferred deposit service business license may continue to operate under that license.

Senate Bill 145

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