

# **INFORMATION SHEET FOR KANSAS CREDIT NOTIFICATION**

The Kansas Uniform Consumer Credit Code (at K.S.A. 16a-6-201) requires creditors entering into consumer credit transactions in Kansas, and any person who takes assignments of and undertakes collection of payments from or takes assignments of and enforces rights against debtors arising from these transactions to file notification and pay the prescribed fees on or before **April 30** of each year to the **Kansas Office of the State Bank Commissioner, 700 SW Jackson, Suite 300, Topeka, Kansas 66603-3796**. Renewal instructions will be posted to the OSBC website in March of each year. Should you need assistance, please call (785) 296-1378 or send an email to [licensing@osbckansas.org](mailto:licensing@osbckansas.org). Once the renewal is processed, your company will be added to the list of Credit Notification Registrants displayed on our website ([http://www.osbckansas.org/lookup/Active\\_Notifications.pdf](http://www.osbckansas.org/lookup/Active_Notifications.pdf)).

## **WHO MUST FILE CREDIT NOTIFICATION AND PAY FEES?**

A consumer credit transaction is made in this state if a signed writing evidencing the obligation or offer of the consumer is received by the creditor in this state; or the creditor induces the consumer who is a resident of this state to enter into the transaction by solicitation in this state by any means, including mail, telephone, internet, and other electronic means.

You extend credit under Kansas law if you engage in any of the following activities:

1. Those who extend credit\* to which a finance charge is added to the actual cost of goods or services;
2. Those who add a service or carrying charge to an account as a cost of deferring payment;
3. Those who prepare retail installment contracts and assign these contracts to a third party;
4. Those who extend credit\* according to a written agreement which permits payment in more than four installments, even though no finance charge is added; or
5. Those who purchase retail installment contracts, loans or leases from creditors **or who purchase the rights to service such transactions**.

\***Credit** means the right granted by a creditor/seller to defer a payment of debt or to incur debt and defer its payment.

**Creditors:** Those who regularly engage in the business of selling or leasing goods or services or lending money to persons for personal, family, or household purposes who either impose a finance charge **or** agree to accept payment by written agreement in more than four installments (deferred payment), must file notification and pay the \$25.00 annual fee for each business location. Every creditor who initiates a consumer sale or lease must file whether the contract is held or assigned or sold to a third party.

**Assignees:** Those who take assignments of and undertake collection of payments from or take assignments of and enforce rights against debtors arising from the above-mentioned sales, leases, or loans must file notification and pay the \$25.00 annual fee for each business location plus additional fees.

## **WHO IS EXEMPT?**

- *Sellers who accept bank credit cards EXCLUSIVELY* need not file.
- Creditors who sell or lend EXCLUSIVELY for *business or agricultural purposes* need not file. (Business purposes mean a business selling to other businesses only—not consumer purposes).
- *Depository Institutions* that hold a state or federal charter/license (e.g. banks, credit unions, etc.)

## **WHAT FEES ARE DUE?**

**Annual Fee:** \$25 per business location

**Volume Fee:** Filers shall pay an additional fee based on the **average unpaid balance**. The average unpaid balance is the sum of the dollar amounts outstanding of all Kansas consumer credit transactions held on the last day of each month for the previous calendar year divided by the number of months in a year. The total amount outstanding includes unpaid payments under consumer leases. For examples, see page 2.

- **AVERAGE UNPAID BALANCE FEE:** \$10.00 for each \$100,000, or part thereof

**Assignments to NON-Filers Fee:** Filers who assign consumer credit transactions to assignees **that are not registered with the OSBC** (“Non-Filers”) must pay volume fees on the total amount of assigned transactions. This page on the OSBC website ([http://www.osbckansas.org/lookup/Active\\_Notifications.pdf](http://www.osbckansas.org/lookup/Active_Notifications.pdf)) contains a listing of approved Credit Notification Registrants. For example calculations, see page 2.

- **ASSIGNMENTS TO NON-FILERS:** \$5.00 for each \$100,000, or part thereof

## FEE BREAKDOWN AND EXAMPLE CALCULATIONS

### A. COMPANY LOCATIONS:

There is an annual fee of **\$25.00 for each business location** from which consumer credit transactions are made and/or taken by assignment.

**Example:** If you have four locations, the annual fee would be calculated like this:

$$4 \text{ (\# of locations)} \times \$25 \text{ (fee for each location)} = \mathbf{\$100 \text{ (total annual fee)}}$$

### ADDITIONAL VOLUME FEES:

**B. CREDIT TRANSACTIONS ASSIGNED/SOLD:** Consumer credit business. To be completed by all CREDITORS and ASSIGNEES.

**FEE FOR ASSIGNMENTS TO NON-FILERS:** If consumer credit transactions are assigned during the year to any person(s) or organization(s) who has **not** also filed notification, you must total the amounts assigned to "non-filers" for the year and pay an additional fee on those amounts. See [http://www.osbckansas.org/lookup/Active\\_Notifications.pdf](http://www.osbckansas.org/lookup/Active_Notifications.pdf) on the OSBC website to find the list of approved "Notification" Registrants to determine if an assignee has filed notification. The registration number will appear in this format: "NOT.1234567." On the total dollar amounts assigned to non-filers, an additional fee of **\$5.00 per \$100,000 or part on consumer credit transactions** is due.

**Example:** If you assign contracts to one **or** more companies not listed on the above website and the amount of consumer credit sales and/or leases assigned totaled \$210,000 for the year, the additional fees due would be \$15. See below.

Company A	\$100,000	=	\$5
Company B	100,000	=	5
Company C	10,000	=	5

$\$210,000 / \$100,000 = 2.1 \text{ rounded up to } 3 \times \$5 = \mathbf{\$15 \text{ additional volume fee}}$

**C. CREDIT TRANSACTIONS OUTSTANDING: THE AVERAGE UNPAID BALANCE** should represent how much **Kansas debt is normally outstanding**. It is the sum of the dollar amounts outstanding of all Kansas consumer credit transactions, including unpaid payments under leases, held on the last day of each month for the previous calendar year divided by the number of months in a year. You must pay an **additional fee of \$5.00 per \$100,000** or part thereof of the average unpaid balance.

**Example:** You have the following month-end balances for each month on Kansas consumer credit transactions:

January 31	\$66,000	May 31	\$93,000	September 30	\$97,000
February 28/29	114,000	June 30	127,000	October 31	115,000
March 31	84,000	July 31	129,000	November 30	70,000
April 30	89,000	August 31	126,000	December 31	<u>93,000</u>

Total month-end balances for the previous calendar year: \$1,203,000

Divide total month-end balances by 12 months:  $(\$1,203,000/12) = \mathbf{\$100,250}$  (average unpaid balance)

Additional fees due:  $\$10 \text{ per } \$100,000 \text{ or part (round up)} \rightarrow \$10 \times 2 = \$20$  **\$20 additional volume fee**

### TOTAL FEES PAYABLE:

Total of above items. If filing by mail, make checks payable to "Office of the State Bank Commissioner." If filing on the website (<https://online.osbckansas.org/>), online payment is available (credit card or bank account draft).

**Example:**  $\$100 \text{ (annual fee)} + \$15 \text{ (assignments fees)} + \$20 \text{ (average bal. fees)} = \mathbf{\$135 \text{ (total fees payable)}}$

**TO ACCESS THE ONLINE RENEWAL SYSTEM:** *(only available in March, April, and May of each year)*

1. **Go to:** <https://online.osbckansas.org/> (make sure to include the "s" after "http" as this site is secure)
2. Login with a **user ID and password** (provided from OSBC by mail) and follow the on-screen instructions to start or complete a pending credit notification renewal.