

286.2-670 Foreign financial institutions, activities deemed not transacting business in Kentucky.

- (1) Except as provided in subsection (2) of this section, a foreign financial institution shall not be considered to be doing, transacting, or carrying on business in this state solely by reason of engaging in any or all of the following activities, either on its own behalf or as a trustee of a pension plan, employee's profit-sharing or retirement plan, or testamentary or inter vivos trust:
 - (a) The lending of money, or the acquisition by purchase, by contract to purchase, by making of advance commitments to purchase, or by assignment to it of loans, including construction loans, or any interest in loans, secured in whole or in part by mortgages, deeds of trust or other forms of security on real or personal property in this state, if such activities are carried on from outside this state by the lending institution or within this state by independent agencies on behalf of said foreign lending institution;
 - (b) The receipt of principal and interest on such loans;
 - (c) The making of physical inspections and appraisals of real or personal property which secures or is proposed to secure any loan by an officer or employee of a foreign lending institution if the officer or employee making any physical inspections and appraisals is not a resident of and does not maintain his place of business in this state;
 - (d) The ownership of any loans and the enforcement of any loans by trustee's sale, judicial process, or deed in lieu of foreclosure, or otherwise;
 - (e) The modification, renewal, extension, transfer, or sale of loans or the acceptance of additional or substitute security therefor or the full or partial release of the security therefor or the acceptance of substitute or additional obligors thereon if the activities are carried on from outside this state by the lending institution or carried on within this state by independent agencies;
 - (f) The maintaining and defending of any action or suits relating to loans, mortgages, deeds of trust, security instruments or related agreements or activities referred to herein or incidental thereto;
 - (g) The engaging, by contractual arrangement, of a corporation, firm or association, qualified to do business in this state, which is not a subsidiary or parent of the lending institution or which is not under common management with the lending institution, to make collections and to service loans in any manner whatsoever, including the payment of ground rents, taxes, assessments, insurance and the like and the making, on behalf of the lending institution, of physical inspections and appraisals of real or personal property securing any loans or property which is proposed to secure any loans, and the performance of any such engagement;
 - (h) The acquisition of title to the real or personal property covered by any mortgages, deeds of trust, or other security instrument, by trustees, pledgees, or judicial sales, or by deed in lieu of foreclosure or for the purpose of transferring title to any federal agency or instrumentality as the insurer or

guarantor of any loans, the maintenance or defense of any action or suit relating to the possession of the property, and the retention of title to any real or personal property as acquired pending the orderly sale or other disposition thereof; or

- (i) The maintenance of bank accounts in banks, authorized or licensed to do and transact a banking business in this state.
- (2) The provisions of this section shall be inapplicable in determining whether a financial institution is regularly engaged in business in this Commonwealth within the meaning of that phrase as used in KRS 136.500 to 136.575.

Effective: June 25, 2009

History: Amended 2009 Ky. Acts ch. 104, sec. 24, effective June 25, 2009. -- Amended 1996 Ky. Acts ch. 254, sec. 36, effective July 15, 1996. -- Created 1970 Ky. Acts ch. 228, sec. 1, effective June 18, 1970.

Formerly codified as KRS 287.670.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.