

**367.390 Right to refinance consumer loan or consumer credit transaction --  
Conditions -- Exception.**

- (1) With respect to a consumer loan or consumer credit transaction, other than one primarily for an agricultural purpose or one pursuant to a revolving loan account or a revolving charge account, if any scheduled payment is more than twice as large as the average of earlier scheduled payments, the debtor has the right to refinance the amount of that payment at the time it is due without penalty. The terms of the refinancing shall be no less favorable to the debtor than the terms of the original loan or consumer credit transaction. These provisions do not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the debtor.
- (2) Notwithstanding any other provision of this section, this section shall not apply to a consumer loan or consumer credit transaction directly between a debtor and a financial institution in connection with the purchase or construction of residential property where payment of such loan or transaction is secured by a mortgage lien upon such property.

**Effective:** July 15, 1980

**History:** Amended 1980 Ky. Acts ch. 170, sec. 1, effective July 15, 1980. -- Created 1972 Ky. Acts ch. 34, sec. 1.