

16-214. Interest rate on advance made for purchase or carrying of securities; advance not subject to uniform consumer credit code. Whenever advances of money, repayable on demand, are made upon any securities, as defined in K.S.A. 84-8-102(1)(a), and amendments thereto, pledged as collateral for repayment of such advances and in which such advances are used by the borrower only for the purpose of the purchasing or the carrying of such securities, it shall be lawful for a broker-dealer, as defined by K.S.A. 17-12a102, and amendments thereto, to charge, receive or contract to receive and collect, as compensation for making such advances, a rate of interest not to exceed the higher of 10% per annum, or the rate of interest last obtained from a commercial lender by the broker-dealer plus an annual percentage rate of not to exceed 1 1/2%, which rate shall be established by written notification to the borrower. Any such advances shall not be subject to any of the provisions of articles 1 through 9, inclusive, of chapter 16a of the Kansas Statutes Annotated, and amendments thereto.

History: L. 1977, ch. 69, § 1; L. 2004, ch. 154, § 56; July 1, 2005.