AN ACT concerning the uniform consumer credit code; relating to veterans; veteran status inquiry in supervised loans.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) Any person who makes a loan under the provisions of K.S.A. 16a-2-301 or 16a-2-404, and amendments thereto, shall be required to inquire about any potential borrower's veteran status on the loan application.

(1) Before a consumer loan is extended to a veteran, the lender shall:

(A) Provide the veteran with the pamphlet "Protecting our Kansas Veterans," published by the office of the state bank commissioner. Such pamphlet shall contain easy-to-read and understandable explanations of the veteran's rights under the uniform consumer credit code and the resources available to the veteran, including consumer credit counseling services; and

(B) obtain the borrower's signature or initials on the loan contract or addendum or rider that confirm the veteran has received the pamphlet required by subparagraph (A).

(b) The lender shall retain all documents relating to such loans in accordance with the provisions of K.S.A. 16a-2-304, and amendments thereto, and rules and regulations adopted thereunder.

(c) (1) Any lender who violates any provision of this section may be assessed a fine by the administrator, not to exceed $500 for each violation.

(2) The provisions of this section shall be enforced by the administrator under any applicable powers available to the administrator by the uniform consumer credit code.

(d) As used in this section, "veteran" means a person who has served in the United States army, navy, air force, marine corps or coast guard for more than 90 days of active duty, not simply for training purposes, and was discharged or released under conditions other than dishonorable.

(e) This section shall be a part of and supplemental to the uniform consumer credit code.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.