

2023 Kansas Statutes

40-3514. Maintaining funds on deposit with insurance company's own insured prohibited; presumptions; other prohibited practices. (a) Except for commercial checking accounts and normal deposits in support of an active bank line of credit, a mortgage guaranty insurance company, the holding company or any affiliate thereof is prohibited from maintaining funds on deposit with the lender for which the mortgage guaranty insurance company has insured loans.

(b) Any deposit account bearing interest at rates less than what is currently being paid other depositors on similar deposits or any deposit in excess of amounts insured by an agency of the federal government shall be presumed to be an account in violation of this section. Furthermore, a mortgage guaranty insurance company shall not use compensating balances, special deposit accounts or engage in any practice which unduly delays its receipt of moneys due or which involves the use of its financial resources for the benefit of any owner, mortgagee of the real property or any interest therein or any person who is acting as agent, representative, attorney or employee of such owner, purchaser or mortgagee as a means of circumventing any part of this section.

History: L. 1977, ch. 154, § 14; January 1, 1978.