

17-24-7. Additional charges. The charges enumerated in K.S.A. 2025 Supp. 9-2229(a)(3), and amendments thereto, shall be considered “additional charges in connection with a covered transaction” if the charges meet the following requirements:

(a) Are made under conditions that permit their exclusion from the definition of “finance charge” under K.S.A. 2025 Supp. 9-2201, and amendments thereto;

(b) are payable to a third party who is not related to the creditor, except as allowed by K.S.A. 2025 Supp. 9-2201(i)(2), and amendments thereto; and

(c) if either of the following conditions are met:

(1) In relation to insurance premiums, the creditor or a person related to the creditor receives a commission on any insurance sold on the same day on which the covered transaction was consummated; or

(2) in relation to all other additional charges, the charges are made for goods, services, or both rendered within one month before or after the consummation of the covered transaction.

(Authorized by K.S.A. 2025 Supp. 9-2209; implementing K.S.A. 2025 Supp. 9-2229; effective

P-_____.)

APPROVED

AUG 25 2025

DEPT. OF ADMINISTRATION

APPROVED

NOV 14 2025

ATTORNEY GENERAL

APPROVED

MAR 02 2026

DIVISION OF THE BUDGET

2/18/16

Kansas Administrative Regulations Economic Impact Statement (EIS)

Office of the State Bank Commissioner
Agency

Brock Roehler
Agency Contact

785-379-3892
Contact Phone Number

17-24-7
K.A.R. Number(s)

Permanent Temporary

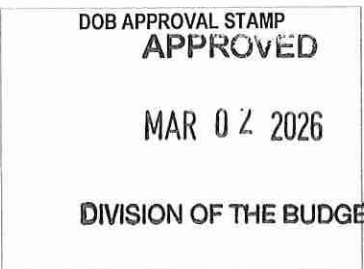
Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

No If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million or more in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation over the initial five-year period following adoption of such rule(s) and regulation(s) (as calculated in Section III, F)?

Yes If "Yes," then the agency shall not adopt the rule(s) and regulation(s) until the rule(s) and regulation(s) has been ratified by the Legislature with a bill, unless the proposed rule(s) and regulation(s) are: 1) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program, as described in K.S.A. 77-416(b)(1)(B), and amendments thereto; 2) temporary rule(s) and regulation(s) adopted pursuant to K.S.A. 77-722, and amendments thereto; or 3) rules and regulations adopted pursuant to K.S.A. 2-3710 (Kansas Agricultural Remediation Board). Continue to fill out the remaining EIS form to be included with the regulation packet in the review process to the Department of Administration and the Attorney General. The submitted EIS will be independently analyzed by the Division of the Budget for approval.

No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. The submitted EIS will be analyzed by the Division of the Budget for approval.



Section I

Analysis, brief description, and cost and benefit quantification of the proposed rule(s) and regulation(s). If the approach chosen by the Kansas agency to address the policy issue is different from that utilized by agencies of contiguous states or of the federal government, the economic impact statement shall include an explanation of why the Kansas agency's rule and regulation differs.

K.A.R. 17-24-7 discusses additional charges that may be charged to a consumer in a covered mortgage transaction. The proposed amendment supplements K.S.A. 2024 Supp. 9-2229 of the Kansas Mortgage Business Act (KMBA) by requiring that certain conditions be met in order for the charges to be deemed allowable. This regulation isn't technically new. Covered mortgages were regulated under the Uniform Consumer Credit Code as one type of "consumer credit transaction" until these mortgages moved to the Kansas Mortgage Business Act per 2024 Sen. Sub for HS 2247. The regulation that applied to these mortgages was K.A.R. 75-6-9.

Colorado doesn't regulate mortgages in the same manner as Kansas. Nebraska, Oklahoma, and Missouri allow these charges by statute and are thorough enough that a regulation isn't required. Our regulation is consistent with their statutes.

Section II

Explain whether the proposed rule and regulation is mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program and whether the proposed rules and regulations exceed the requirements of applicable federal law.

The proposed rules and regulations are neither mandated by federal law nor is it a requirement for participation in any federally subsidized or assisted program. The proposed rules and regulations work in conjunction with applicable federal laws. They do not exceed any requirements, rules or procedures of applicable federal law.

Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The proposed amendments are expected to have negligible impact on business activities and growth. No assessments or charges are being incurred by the businesses for the implementation of these regulations.

- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that will be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

The proposed regulation supplements existing law, K.S.A. 9-2229. Neither the consumer nor the licensee are being assessed any costs or fees associated with the drafting, passage or implementation of this amendment.

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DIVISION OF THE BUDGET

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);
Any bank credit union, mortgage company or loan officer who originates or closes any mortgage loan in the state of Kansas with Kansas consumers.
- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;
There is no cost associated with the proposed regulation. This regulation isn't new as K.A.R. 75-6-9 already applied, and it clarifies what additional charges can be charged. We expect to see only benefits for both financial institutions and the consumer. The proposed regulation provides additional protection to the Kansas consumer by placing contingencies on what can be charged to the consumer and what is considered "additional charges" in conjunction with K.S.A. 9-2229, and allows the financial institution to charge for certain goods and services related to a mortgage transaction that would otherwise be prohibited by state law.
- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;
The proposed rules and regulations take into consideration the interests of both the financial institution and the consumer. No cost is being assessed to either party because of the creation or implementation of this proposed regulation.
- F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or individuals. *Note: Do not account for any actual or estimated cost savings that may be realized. Implementation and compliance costs determined shall be those additional costs reasonably expected to be incurred and shall be separately identified for the affected businesses, local governmental units, and individuals.*

Costs to Affected Businesses – \$0

Costs to Local Governmental Units – \$0

Costs to Individuals – \$0

Total Annual Costs – \$0
(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

[Click here to enter agency response.](#)

- Yes If the total implementation and compliance costs exceed \$1.0 million or more in implementation and compliance costs over the initial five-year period following adoption of such rule(s) and regulation(s) that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation, did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving
- No
- Not Applicable



legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

If applicable, click here to enter public hearing information.

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

\$0

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

\$0

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

Revenues of cities, counties or school districts will not be affected. The proposed changes are administrative in nature and do not result in any costs being assessed to any other agency of entity.

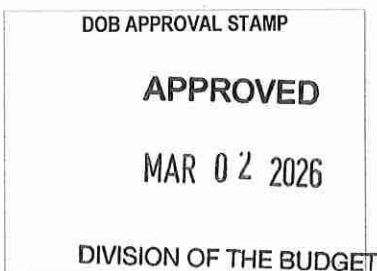
- H. Describe how the agency consulted and solicited information from businesses, business associations, local governmental units, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s) or may provide relevant information.

For this round of regulation review, we requested comments from Rocket Mortgage, OneMain Financial, and Mortgage Bankers Association. No objections or concerns were noted. No local government unit, state agency, or institution was consulted.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- Yes If yes, complete the remainder of Section IV.
 No If no, skip the remainder of Section IV.



- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the individuals or entities who would bear the costs.

[Click here to enter agency response.](#)

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other individuals who will bear the costs.

[Click here to enter agency response.](#)

- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, the individuals or entities who will bear the costs and who will be affected by the failure to adopt the rule(s) and regulation(s).

[Click here to enter agency response.](#)

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

[Click here to enter agency response.](#)

