Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 11.—Documentation Requirements

17-11-18. Loans; documentation requirements.

(a) Except as specified in this subsection, each bank shall maintain complete and current credit information, not older than 15 months, for each borrower if the total amount of the following is greater than $250,000:

(1) All loans made to the borrower; and

(2) all loans attributable to the borrower pursuant to K.S.A. 9-1104, and amendments thereto.

This subsection shall not apply if all loans made or attributable to the borrower are adequately secured.

(b)(1) Unless loan repayment is guaranteed by a governmental program or private insurance company, the following requirements shall apply:

(A) For each purchase-money real estate mortgage loan not greater than $250,000, the bank shall maintain a written verification that a lien search of the records of the county register of deed's office was conducted and the bank's lien position was determined or any option listed under paragraph (b)(1)(B).

(B) For each purchase-money real estate mortgage loan greater than $250,000, the bank shall obtain and maintain on file either an attorney's written title opinion or a title insurance policy.

(C) For each non-purchase-money real estate mortgage loan that is not greater than $250,000, the bank shall meet one of the following requirements:

(i) Maintain a written verification that a lien search of the records of the county register of deed's office was conducted and the bank's lien position was determined;

(ii) obtain and maintain on file an insurance policy fully insuring the bank against loss of the mortgage priority position;

(iii) obtain and maintain on file an attorney's written title opinion; or

(iv) obtain and maintain on file a title insurance policy.

(D) For each non-purchase-money real estate mortgage loan greater than $250,000, the bank shall obtain and maintain on file an attorney's written title opinion or a title insurance policy.

(2) For purposes of this subsection, "non-purchase-money real estate mortgage loan" shall mean a mortgage loan that does not finance or refinance the acquisition of real estate or the transfer of a deed.

(c) If the value of the improvements on any real estate is necessary for adequate protection of the loan, an insurance policy covering these improvements against fire and windstorm shall be on file with the bank for any loan greater than $25,000.

(d) A real estate mortgage or deed of trust, showing the filing information with the county register of deeds, shall be on file with the bank for each loan collateralized by real estate.

(e) For any loan collateralized by personal property, if the bank is required by law to file a financing statement to perfect a security interest, the bank shall maintain a copy of the filed financing statement. In other cases, the bank shall maintain all documents related to the loan.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 9-1101, K.S.A. 9-1130, and K.S.A. 9-1713; effective Jan. 1, 1966; amended May 1, 1983; amended Jan. 27, 1992; amended Aug. 9, 1996; amended Jan. 18, 2002; amended May 30, 2003; amended May 3, 2013; amended July 11, 2014; amended May 27, 2022; amended Oct. 18, 2024.)