



Survey Of Bond Requirements For Mortgage Brokers And Lenders

August 2017





SURVEY OF BOND REQUIREMENTS FOR MORTGAGE BROKERS AND LENDERS

AUGUST 2017

This publication is designed to provide information about the subject matter covered. It is provided with the understanding that the publisher is not engaged in rendering legal services or advice. If legal advice or other expert assistance is required, the service of a competent professional should be sought.

Laws and regulations regarding surety bond requirements for mortgage brokers and lenders change frequently. Please note the information provided is the information available as of the date of this Survey. If you note any incorrect information, or if you become aware of any legislative enactments, bond form revisions or regulatory changes regarding mortgage broker or lender surety bonds, please contact SFAA at (202) 463-0600.

State: Alabama

Mortgage Broker

Statute: Ala. Code 1975 § 5-25-5
Ala. Code 1975 § 5-26-1

Other Sources: Bond Form
Banking Department Guidance

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| up to \$25 million | \$25,000 |
| \$25 million to \$100 million | \$50,000 |
| over \$100 million | \$75,000 |

Bond Condition: “[W]ell and truly operate its business in conformity with, and shall abide by, the laws of this State regulating the mortgage lending and mortgage broker business . . . and shall faithfully perform the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment which may be recovered against such Principal on account of damages . . . [arising from violation of the applicable statutes]”

Cancellation: 60 days prior notice

Continuous or Annual: Continuous

Mortgage Lender – A single bond form covers the requirements of the Mortgage Brokers Licensing Act (§ 5-25-1 et seq.), the Alabama Consumer Credit Act (§ 5-19-1 et seq.), and/or the Alabama Secure and Fair Enforcement for Mortgage Licensing Act (Act #2009-627). Thus there is no distinction between lender and broker bond requirements.

State: Alaska

Mortgage Broker

Statute: Alaska Stat. § 06.60.045

Other sources: Alaska Admin. Code tit. 3, § 14.053

Amount: At least \$75,000

Bond Condition: “[F]aithfully conform to and abide by each and every provision of the Act [Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010] and of all rules and regulations and orders lawfully made by the Department, and pay to the Department, the Alaska Department of Law and to any such person or persons having a right of action against the Obligors any and all monies that may become due or owing to the Department, the Alaska Department of Law and to such person or persons from said Obligors under and by virtue of the provisions of the Act...”

Cancellation: 30 days prior notice

Continuous or Annual: Continuous

Mortgage Lender

The regulations provide for a “mortgage license” under which a person may operate as a mortgage lender or a mortgage broker, or both. There are no separate bond requirements.

State: Arizona

Mortgage Broker

Statute: Ariz. Rev. Stat. § 6-903

Other sources: Bond Form

Amount: \$10,000 for licensees whose investors are solely institutional investors.
\$15,000 for licensees whose investors includes any noninstitutional investors.

Bond Condition: “[S]trictly, honestly and faithfully comply with the provisions of Title, Chapter and Article of the Arizona Revised Statutes [Title 6, Chapter 9, Article 1], and shall pay all damages suffered by any person injured by the wrongful act, default, fraud or misrepresentation of the licensee or his employees, or both, growing out of any transaction governed by the provisions of such statutes...”

Cancellation: 30 days prior notice (limitations period of 1 year from date of the act or omission, except fraud)

Continuous or Annual: Continuous

Mortgage Banker

Statute: Ariz. Rev. Stat. § 6-943

Other sources: Bond Form

Amount: Amount is a function of the amount of total assets of the licensee and the unpaid balance of loans at the end of the fiscal year, as follows:

| Assets | Bond Amounts |
|-------------------------------|--|
| Up to \$1,000,000 | \$25,000 for first \$500,000 of unpaid balance plus \$5,000 for each \$100,000 (or fraction) |
| \$1,000,001 to \$10,000,000 | \$50,000 plus \$5,000 for each \$1.8 million of unpaid balance over \$1 million |
| \$10,000,001 to \$100,000,000 | \$75,000 plus \$5,000 for each \$18 million of unpaid balance over \$10 million |
| Over \$100,000,000 | \$100,000 |

Bond Condition “[S]trictly, honestly and faithfully comply with the provisions of Title, Chapter and Article of the Arizona Revised Statutes [Title 6, Chapter 9, Article 2], and shall pay all damages suffered by any person injured by the wrongful act, default, fraud or misrepresentation of the licensee or his employees, or both, growing out of any transaction governed by the provisions of such statutes...”

Cancellation: 30 days prior notice (limitations period of 1 year from date of the act or omission, except fraud)

Continuous
or Annual: Continuous

Mortgage Loan Originator

Statute: Pursuant to Ariz. Rev. Stat. § 6-991.03, the employer of the mortgage loan originator must furnish a bond required under § 6-903 or 6-943. In addition, the originator makes a deposit into the recovery fund or the originator's employer must furnish a bond.

Other sources: Bond Form

Amount: \$200,000, notwithstanding § 6-903 or 6-943

Bond Condition “[T]he Principal and its loan originators shall strictly, honestly and faithfully comply with the provisions of Title 6, Chapter 9, Article 4 of the Arizona Revised Statutes, and shall pay all damages suffered by any person aggrieved by any act . . . of the loan originator that violates Title 6”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

State: Arkansas

Mortgage Broker

Statute: Ark. Code Ann. § 23-39-505

Other sources: 003-14 Code Ark. R. § 009
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-----------------------------------|---------------------------------------|
| up to \$10 million | \$100,000 |
| over \$10 million to \$25 million | \$150,000 |
| over \$25 million | \$200,000 |

Bond Condition: Full compliance “with the provisions of the Act” and payment of all amounts owed “upon any judgment or order obtained in any court of competent jurisdiction” by the obligee or any person injured by the principal conducting business as a mortgage banker, broker or servicer.

Cancellation: 60 days prior notice (with a 5 year tail)

Continuous
or Annual: Continuous

Mortgage Lender

The regulations establish the same licensing requirements, including the surety bond requirement, for a mortgage broker and a mortgage banker.

State: California

There are two statutes that may be applicable to mortgage lending bond requirements in California: the California Residential Mortgage Lending Act (CRMLA); and, the California Finance Lenders Law. The CRMLA was enacted as an alternative to the existing laws licensing lenders under the Real Estate Law and the California Finance Lenders Law, in order to provide mortgage bankers with a licensing law specifically intended to regulate their primary functions of originating loans and servicing loans. Unlike the Real Estate Law and the California Finance Lenders Law, the CRMLA is specifically designed to authorize and regulate mortgage banking activities. An applicant under the CRMLA may obtain a license as a lender, a servicer, or both. Thus a lender can obtain licensure under either the Finance Lenders Law or CRMLA.

Mortgage Broker

Statute: Cal. Fin. Code. § 22112. The bond under the California Finance Lenders Law is required for any person or company that engages in the business of making consumer or commercial loans, or any person or company that engages in the business of negotiating or performing any act as a broker in connection with loans made by a finance lender, when secured by residential real property.

Other sources: Bond Form
Cal. Code Regs. tit. 10, § 1437

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|------------------------------------|---------------------------------------|
| up to \$1 million | \$25,000 |
| over \$1 million to \$50 million | \$50,000 |
| over \$50 million to \$500 million | \$100,000 |
| over \$500 million | \$200,000 |

Bond Condition: “Principal . . . shall faithfully conform to and abide by the provisions of the California Finance Lenders Law [and applicable rules and regulations] . . . and shall honestly and faithfully apply all funds received . . . and shall pay to the Commissioner of Corporations . . . and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due and owing . . . under and by virtue of the provisions of the California Finance Lenders Law.”

Cancellation: Bond may be cancelled by the surety in accordance with §§ 996.320 and 996.330 of the California Code of Civil Procedure. (Cancellation is effective the earlier of 30 days after the date of notice or the date the replacement bond becomes effective.)

Continuous or Annual: Continuous

Mortgage Lender

Statute: Cal. Fin. Code § 50205 (California Residential Mortgage Lending Act - bond for residential mortgage lender or servicer)

Other sources: Bond Form
Cal. Code Regs. tit. 10, § 1950.205.1

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|------------------------------------|---------------------------------------|
| up to \$50 million | \$50,000 |
| over \$50 million to \$500 million | \$100,000 |
| over \$500 million | \$200,000 |

Bond Condition: “Principal . . . shall faithfully conform to and abide by the provisions of the California Residential Mortgage Lending Act [and applicable rules and regulations] . . .and shall honestly and faithfully apply all funds received . . . and shall pay to the Commissioner of Corporations . . . and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due and owing . . . under and by virtue of the provisions of the California Residential Mortgage Lending Act.”

Cancellation: Bond may be cancelled by the surety in accordance with §§ 996.320 and 996.330 of the California Code of Civil Procedure. (Cancellation is effective the earlier of 30 days after the date of notice or the date the replacement bond becomes effective.)

Continuous or Annual: Continuous

State: Colorado

The primary requirement applies to “mortgage loan originators” and could affect both mortgage brokers and mortgage lenders if they employ originators.

Mortgage Broker

Statute: Colo. Rev. Stat. § 12-61-907

Other sources: Bond Form
4 Colo. Code Regs. 725-3:1-2-2-4

Amount: \$25,000 for individual mortgage loan originator
\$100,000 for mortgage loan originators who are employees or exclusive agents of a company with less than 20 individuals required to be licensed
\$200,000 for mortgage loan originators who are employees or exclusive agents of a company with 20 or more individuals required to be licensed

Bond Condition “Principal shall pay persons damages incurred by such persons as a result of the Principal’s acts of fraud, forgery, criminal impersonation or fraudulent impersonation while conducting business as a Mortgage Loan Originator or under any other occupation which requires licensure as a mortgage loan originator...”

Cancellation: 30 days prior notice

Continuous or Annual: Continuous

Mortgage Lender

Other than the possibility of a bond requirement for mortgage loan originators (see above), a mortgage lender does not have a bond requirement, unless it makes supervised loans, which are consumer loans under which the annual percentage rate could exceed 12%. The requirements set forth below are for lenders of supervised loans.

Statute: Colo. Rev. Stat. §§ 5-2-302 and 5-2-304

Other sources: Bond Form
4 Colo. Code Regs. 902-1

Amount: Up to \$250,000 for all licensed locations

Bond Condition “[L]icensee shall comply with all provisions of the [Uniform Consumer Credit Code] . . . and shall pay any and all amounts which become due or owed to the UCCC Administrator thereunder, and shall pay any and all final judgments or orders that become lawfully due to or on behalf of any person who has prevailed in a UCCC cause of action”

Cancellation: 30 days prior notice (with a 2 year tail)

Continuous
or Annual: Continuous

State: Connecticut

Mortgage Broker

Statute: Conn. Gen. Stat. § 36a-492

Other sources: Bond Form
Banking Commissioner Guidelines

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-----------------------------------|---------------------------------------|
| up to \$30 million | \$50,000 |
| over \$30 million to \$50 million | \$100,000 |
| over \$50 million | \$150,000 |

Bond Condition: “The bond . . . shall be conditioned upon the mortgage lender, mortgage correspondent lender or mortgage broker licensee and any mortgage loan originator licensee sponsored by such mortgage lender, mortgage correspondent lender or mortgage broker . . . faithfully performing any and all written agreements or commitments with or for the benefit of borrowers and prospective borrowers, truly and faithfully accounting for all funds received from a borrower or prospective borrower by the licensee in the licensee’s capacity as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator, and conducting such mortgage business consistent with the provisions of sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b.”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Mortgage lenders are subject to the same statutory scheme that applies to brokers. Lenders also are required to furnish a bond on the same form. The applicable amounts are different as follow:

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| up to \$30 million | \$100,000 |
| over \$30 million to less than \$100 million | \$200,000 |
| \$100 million to less than \$250 million | \$300,000 |
| over \$250 million | \$500,000 |

State: Delaware

Mortgage Broker

Statute: Del.Code Ann. tit. 5 § 2108
Del.Code Ann. tit. 5§ 2404

Other sources: 5 Del. Admin. Code 2401-12.0
Bond Form

Amount: \$25,000

Mortgage loan originators who are employees or exclusive agents of a licensee under Chapters 21 (broker) or 22 (lenders) of Title 5 of the Delaware Code can use the surety bond of their employer or principal in lieu of their surety bond requirement under the statute and regulations pertaining to mortgage loan originators (Chapter 24), if the surety bond of the employer or principal is in a minimum amount as provided in 5 Del. Admin. Code 2401-12.0 and the surety bond meets all the requirements of the regulations pertaining to mortgage loan originators.

If the acts of mortgage loan originators are covered, the prescribed bond amount is as follows:

| Annual Volume of Delaware Mortgage Loans | Required Bond Amount |
|---|-----------------------------|
| less than \$11,000,000 | \$25,000 |
| \$11,000,001 - \$23,000,000 | \$50,000 |
| \$23,000,001 - \$35,000,000 | \$75,000 |
| \$35,000,001 - \$47,000,000 | \$100,000 |
| \$47,000,001 - \$59,000,000 | \$125,000 |
| \$59,000,001 - \$71,000,000 | \$150,000 |
| \$71,000,001 - \$83,000,000 | \$175,000 |
| \$83,000,001 and over | \$200,000 |

Bond Condition: “The bond shall run to the State for the benefit of the office of the State Bank Commissioner and for the benefit of all consumers injured by any wrongful act, omission, default, fraud or misrepresentation by a licensee in the course of its activity as a licensee. Compensation under the bond shall be for amounts which represent actual losses and shall not be payable for claims made by business creditors, third-party service providers, agents or persons otherwise in the employ of the licensee. Surety claims shall be paid to the office of the State Bank Commissioner by the insurer not later than 90 days after receipt of a claim. Claims paid after 90 days shall be subject to daily interest at the legal rate. The aggregate liability of the surety on the bond, exclusive of any interest which accrues for payments made after 90 days, shall in no event exceed the amount of such bond.” Del.Code Ann. tit. 5 § 2108 (a)(2)(c).

If mortgage loan originators are covered under the brokers bond, the condition of the bond also includes compliance with Chapter 24, Title 5.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Del.Code Ann. tit. 5 § 2208
Del.Code Ann. tit. 5§ 2404

Other sources: Del.Code Ann. tit. 5 § 2401-12.0
Del.Code Ann. tit. 5 § 2204
Bond Form

Amount:

| Annual Volume of Delaware Mortgage Loans | Required Bond Amount |
|---|-----------------------------|
| less than \$23,000,000 | \$50,000 |
| \$23,000,001 - \$35,000,000 | \$75,000 |
| \$35,000,001 - \$47,000,000 | \$100,000 |
| \$47,000,001 - \$59,000,000 | \$125,000 |
| \$59,000,001 - \$71,000,000 | \$150,000 |
| \$71,000,001 - \$83,000,000 | \$175,000 |
| \$83,000,001 and over | \$200,000 |

Mortgage loan originators who are employees or exclusive agents of a licensee under Chapters 21 (broker) or 22 (lenders) of Title 5 of the Delaware Code can use the surety bond of their employer or principal in lieu of their surety bond requirement under the statute and regulations pertaining to mortgage loan originators (Chapter 24), if the surety bond of the employer or principal is in a minimum amount as provided in 5 Del. Admin. Code 2401-12.0 and the surety bond meets all the requirements the regulations pertaining to mortgage loan originators. The required amounts under the mortgage lender regulations meet the requirements of the mortgage broker regulations.

Bond Condition: “The bond shall run to the State for the benefit of the office of the State Bank Commissioner and for the benefit of all consumers injured by any wrongful act, omission, default, fraud or misrepresentation by a licensee in the course of its activity as a licensee.”

If mortgage loan originators are covered under the brokers bond, the condition of the bond also includes compliance with Chapter 24, Title 5.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

State: District of Columbia

Mortgage Broker

Statute: D.C. Code § 26-1103

Other sources: DCMR 26-C1109
Bond Form

Amount: For each licensed office:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Less than \$1 million | \$12,500 |
| over \$1 million to less than \$2 million | \$17,500 |
| over \$2 million to less than \$3 million | \$25,000 |
| over \$3 million | \$50,000 |

If an applicant files applications for four or more offices, a blanket bond covering all offices in the amount of \$200,000 may be furnished.

Bond Condition: “[C]omplying with all District and federal laws regulating the activities of mortgage lenders, mortgage brokers, and mortgage loan originators and performing all written agreements with borrowers or prospective borrowers, accounting for all funds received by the licensee in conformity with a standard system of accounting consistently applied.” Per the regulations, “Any person who may be damaged by noncompliance of a licensee with any condition of such bond may proceed on such bond against the principal or surety thereon, or both, to recover damages.”

Cancellation: 30 days prior notice

Continuous or Annual: Continuous (with renewal certificate)

Mortgage Lender

Mortgage lenders are subject to the same statutory scheme that applies to brokers. Lenders also are required to furnish a bond on the same form.

State: Florida

There is no bond requirement for mortgage brokers, lenders or loan originators. Security is provided through the Mortgage Guaranty Trust Fund, which was established pursuant to F.S.A. § 494.00172.

State: Georgia

Mortgage Broker

Statute: Ga. Code Ann. § 7-1-1003.2
Ga. Code Ann. § 7-1-1007

Other sources: Bond Form

Amount: \$50,000 (effective December 31, 2017: \$150,000.00)

Bond Condition: The principal “shall comply with the provisions of said Georgia Residential Mortgage Act [and applicable regulations] . . . and shall pay any and all monies that may become due and owing to the State of Georgia which shall include, but not be limited to monies owed for fees, fines or penalties . . . and shall pay any and all monies that may become due and owing any person due to the violation of any such laws and regulations by the principal through its own acts or the acts of any agent of the principal”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Amount: \$150,000 (effective December 31, 2017: \$250,000.00)

Mortgage lenders are subject to the same statutory scheme that applies to brokers. Lenders also are required to furnish a bond on the same form, except as to bond amount.

Mortgage Loan Originators

Other sources: Ga. Comp. R. & Regs. 80-11-5-.01

Mortgage originators are subject to the same statutory scheme that applies to brokers and lenders and each mortgage loan originator shall be covered by the surety bond of his or her sponsoring licensed or registered mortgage broker or lender.

State: Hawaii

There is no bond requirement for mortgage brokers, lenders or loan originators. The licensing scheme for mortgage brokers, including a bond requirement, under Chapter 454 Hawaii Revised Statutes was repealed. Security for mortgage loan originators is provided through a Loan Recovery Fund. (Chapter 454F, Hawaii Revised Statutes).

State:

Idaho

There is no bond requirement for mortgage brokers, lenders or loan originators. Security is provided through a recovery fund.

State: Illinois

Mortgage Broker

Statute: 205 ILCS 635/3-1(c)
38 Ill. Adm. Code 1050.490

Other sources: Bond Form

Amount: The amount is based on the volume of Illinois residential mortgages originated by the loan broker during the preceding calendar year/

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| not more than \$5,000,000 | \$25,000 |
| \$5,000,001 - \$20,000,000 | \$50,000 |
| \$20,000,001 - \$50,000,000 | \$75,000 |
| \$50,000,001 - \$100,000,000 | \$100,000 |
| \$100,000,001 and over | \$150,000 |

Bond Condition: “[T]he above named principal shall strictly comply with the provisions of said Residential Mortgage License Act of 1987, and all amendments thereto and all rules and regulations promulgated thereunder . . . and shall pay to the Illinois Department of Financial and Professional Regulation and to any such person or persons any and all monies that may become due or owing and satisfy all loss, damage and liability suffered by or owing with the principal on account of violations [of applicable laws and rules]”

Cancellation: 30 days prior notice

Continuous

or Annual: The bond runs concurrently with the license period. However, the aggregate liability limitation of the bond form states that the bond “shall continue in full force and effect for the entire license period and for any renewals thereof.” Per the regulation, the bond term is “concurrent with the license or registration for new or renewed bonds thereafter.”

Mortgage Lender

The statute does not make a distinction between lenders and brokers.

Mortgage Loan Originators

Each mortgage loan originator must be covered by a surety bond of employer broker or lender.

State: Indiana

Mortgage Broker

Statute: Ind. Code Ann. § 23-2-5-5

Other sources: Bond Form

Amount: The amount is based on the volume of Indiana residential mortgages originated by the loan broker.

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| not more than \$5,000,000 | \$50,000 |
| \$5,000,001 - \$20,000,000 | \$60,000 |
| \$20,000,001 and over | \$75,000 |

Bond Condition: “[C]omply with the provisions of the Law [Ind. Code Ann. § 23-2-5] and shall pay to any person entitled thereto all damages as may be caused to such person by the failure of the Loan Broker to faithfully comply with the provisions of the Law.”

Cancellation: 30 days prior notice (with a 2 year tail)

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Ind. Code Ann. § 24-4.4-2-402.3 (first lien lender)
Ind. Code Ann. § 24-4.5-3-503.3 (subordinated lender)

Other sources: 750 IAC 9-3-7
Bond Form

Amount: \$100,000 and scaled to reflect the dollar amount of mortgage transactions that were originated. No specific scale is provided by law or regulation.

Bond Condition: “[F]aithfully conform to and abide by the provisions of all applicable law, including applicable provisions of the First Lien Mortgage Lending Act and Uniform Consumer Credit Code, as well as any rules and regulations lawfully adopted thereunder, and shall pay any and all amounts which become due or owed thereunder...”

Bond is for the use of the Department of Financial Institutions for recovery of expenses, fees and fines that become lawfully owed pursuant to a final judgment or order.

Cancellation: 30 days prior notice (2 year tail of liability after cancellation)

Continuous
or Annual:

Continuous

Mortgage Loan Originators

The bond of the loan broker or lender bond must cover the activities of each mortgage loan originator.

State: Iowa

Mortgage Broker

Statute: Iowa Code § 535B.9 § 535B.9

Other sources: Iowa Admin. Code 187-18.2 and 187-19.2

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Not more than \$100 million | \$100,000 |
| over \$100 million | \$150,000 |

Bond Condition: “[F]aithfully conforming to and abiding by this chapter [Iowa Code § 535B.9] and any rules adopted under this chapter and shall require that the surety pay to the state and to any persons all moneys that become due or owing to the state and to the persons from the applicant by virtue of this chapter.”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Mortgage lenders are subject to the same statutory scheme that applies to brokers. Lenders also are required to furnish a bond on the same form.

Mortgage Loan Originators

Per Iowa Code § 535D.14, in the event a mortgage loan originator is an employee or exclusive agent of a mortgage broker or lender, the broker or lender bond can be used in lieu of the mortgage loan originator’s bond requirement. A bond for a mortgage loan originator who is not an employee or exclusive agent of a broker or lender must be in the following amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$5,000,000 | \$25,000 |
| \$5,000,001 - \$20,000,000 | \$50,000 |
| \$20,000,001 - \$50,000,000 | \$75,000 |
| \$50,000,001 - \$100,000,000 | \$100,000 |
| \$100,000,001 and over | \$150,000 |

State: Kansas

Mortgage Broker

Statute: Kan. Stat. Ann. § 9-2211
Kan. Stat. Ann. § 16a-1-101 *et seq.*

Other sources: Kan. Admin. Regs. § 17-24-6
Kan. Admin. Regs. § 75-6-31
Bond Form

Amount:

For a licensee that maintains an office in Kansas

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$50,000,000 | \$50,000 |
| \$more than \$50,000,000 | \$75,000 |

For a licensee that does not maintain an office in Kansas

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$50,000,000 | \$100,000 |
| More than \$50,000,000 | \$125,000 |

If the business engages in “supervised loans” secured by real property, higher bond amounts apply:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---|
| Up to \$50,000,000 | \$250,000 plus \$25,000 for each additional place of business |
| More than \$50,000,000 | \$300,000 |

A supervised loan is defined in part as a loan to which the annual percentage rate exceeds 12%.

Bond Condition: “[P]erforms all its obligations under applicable state and federal law, including the Uniform Consumer Credit Code (‘UCCC’), Kan. Stat. Ann. §16a-1-101 *et seq.* and amendments thereto, and/or the Kansas Mortgage Business Act “KMBA”), Kan. Stat. Ann. §9-2201 *et seq.* and amendments thereto . . .with respect to acting as a supervised lender or mortgage lender or broker”

Cancellation: 30 days prior notice (2 year tail of liability after cancellation)

Continuous
or Annual:

Continuous

Mortgage Lender

The statute addresses the licensing of “mortgage business”, which is defined broadly in K.S.A. 9-2201 to include “making, originating, servicing, soliciting, placing, negotiating, acquiring, selling . . . mortgage loans” Thus brokers and lenders would be subject to the same requirement.

Mortgage Loan Originators

Pursuant to Kan. Stat. Ann. §9-2203, a licensee is responsible for all mortgage business conducted on its behalf by a loan originator.

State: Kentucky

Mortgage Broker

Statute: Ky. Rev. Stat. § 286.8-060

Other sources: 808 KAR 12:021
Bond Form
Commissioner's Order (dated December 18, 2009)

Amount: The required bond amount is \$50,000

Bond Condition: “[C]omplies with [applicable laws and regulations and] . . . satisfies and discharges any judgment or decree rendered against the Principal by a court of competent jurisdiction in a suit brought by any aggrieved person in which it is found that Principal violated a provision of KRS Chapter 286.8.”

Cancellation: 30 days prior notice (limitations period of 3 years from date of the act or omission)

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Ky. Rev. Stat. § 286.8-060

Other sources: 808 KAR 12:021
Bond Form
Commissioner's Order (dated December 18, 2009)

Amount: The required amount is \$250,000

Bond Condition: “[C]omplies with [applicable laws and regulations and] . . . satisfies and discharges any judgment or decree rendered against the Principal by a court of competent jurisdiction in a suit brought by any aggrieved person in which it is found that Principal violated a provision of KRS Chapter 286.8.”

Cancellation: 30 days prior notice (limitations period of 3 years from date of the act or omission)

Continuous
or Annual: Continuous

Mortgage Loan Originators

All mortgage loan originators must be covered by a surety bond, either through their employer or independently, for their entire registration period. If a bond is provided independently, the amount must be according to the volume of loans originated in the preceding year, as follows:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| not more than \$10,000,000 | \$15,000 |
| \$10,000,001 and over | \$20,000 |

State: Louisiana

Mortgage Broker

Statute: Ky. Rev. Stat. § 6:1088
Ky. Rev. Stat. § 286.8-060

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$99,999,999 | \$25,000 |
| \$100,000,000 and over | \$50,000 |

In lieu of a surety bond, a licensee may deposit in a federally insured institution located in Louisiana an amount equal to the required surety bond, with such deposit for the benefit of the Louisiana Office of Financial Institutions. Ky. Rev. Stat. § 6:1088(I).

Bond Condition: “The bond shall be in favor of the State of Louisiana Office of Financial Institutions for the use, benefit, and indemnity of any persons who suffer any damage or loss as a result of the residential mortgage lender’s breach of contract or any obligation arising therefrom, or by any violation of law.”

Cancellation: 60 days prior notice (limitations period of 3 years from date of the act or omission)

Continuous or Annual: Continuous

Mortgage Lender

Pursuant to Ky. Rev. Stat. § 6:1066, the licensing and bond requirements apply to “mortgage loan originators, mortgage lenders, and mortgage brokers.”

State: Maine

Mortgage Broker

Statute: Me. Rev. Stat. tit. 9-A, § 10-202 (a mortgage broker must be licensed as a “loan broker”)

Other sources: Bond Form

Amount: \$25,000

Bond Condition: “[f]aithfully perform the duties and obligations pertaining to the business of a Loan Broker . . . and shall conform and abide by each and every applicable provision of the Code and to all rules and regulations lawfully made by the Superintendent . . . and shall pay to the State and to any persons any and all monies that may become due and owing to the State, or to such persons from said obligor”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Me. Rev. Stat. tit. 9-A, § 2-302.

Supervised loans, which include loans secured by an interest in real estate, are subject to regulation.

Other sources: Bond Form

Amount: \$50,000

Bond Condition: “[F]aithfully conform to and abide by the provisions of this Act and to all rules lawfully made by the administrator under this Act and will pay to the State and to any such person or persons any and all amounts of money that may become due or owing to the State or to such person or persons from the licensee under and by virtue of this Act during the period for which the bond is given.” Me. Rev. Stat. tit. 9-A, § 2-302

The bond covers all claims collected, property converted and losses caused by the lender during the term of the bond.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originators

Statute: Me. Rev. Stat. tit. 9-A, § 13-113

Other sources: Updated Order Governing Interim Procedures (February 28, 2011)
Bond Form

Amount: \$25,000

Bond Condition: “[Fa]ithfully perform the duties and obligations pertaining to the business of a mortgage loan originator ... and shall conform and abide by each and every applicable provision of the Code and to all rules and regulations lawfully made by the Superintendent hereunder and shall pay to the State and to any such person or persons, any and all monies that may become due or owing to the State, or to such person or persons from said obligor...”

A mortgage loan originator is subject to the above bond requirement or a \$25,000 net worth requirement. If a mortgage loan originator is employed by a supervised lender or a loan broker, he or she may rely on the employer’s bond or net worth to satisfy the requirement.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

State: Maryland

Mortgage Broker

Statute: Md. Code Ann., Fin. Inst. § 11-508

Other sources: Md. Code Regs. COMAR 09.03.06.15

Brokers are within the definition of mortgage lender, and thus subject to the Maryland Mortgage Lender Law, below.

Mortgage Lender

Statute: Md. Code Ann., Fin. Inst. § 11-508

Other sources: Md. Code Regs. (COMAR) 09.03.06.15
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| up to \$3,000,000 | \$50,000 |
| \$3,000,001 - \$10,000,000 | \$100,000 |
| greater than \$10,000,000 | \$150,000 |

If five or more applications for multiple offices are filed, a blanket bond in the amount of \$750,000 may be furnished.

Bond Condition: Conditioned that the licensee shall comply with all Maryland laws regulating the activities of mortgage lenders and mortgage loan lending.

Cancellation: 90 days prior notice (with a 3 year tail)

Continuous

or Annual: The bond form states that the bond continues until cancelled. COMAR 09.03.06.15 states, "A separate bond coverage, letter of credit, or trust account shall be obtained for each licensing period."

Mortgage Loan Originators

Md. Code Ann., Fin. Inst. § 11-619 establishes a bond requirement for mortgage loan originators. A mortgage loan originator who is an employee of a mortgage lender may meet the requirement by being covered under a bond furnished under Md. Code, Fin. Inst 11-508.

State: Massachusetts

Mortgage Broker

Statute: Mass. Ann. Laws ch. 255E

Other sources: 209 CMR 42.05
Regulatory Bulletin 5.2-101

Amount: \$75,000

Bond Condition: “Principal, its officers, employees, and agents faithfully perform any and all written agreements or commitments with consumers or borrowers; correctly and accurately account for all funds received from a consumer or borrower in the conduct of the licensed business; and operate the licensed business in accordance with Massachusetts General Laws chapter 255E, and the statutes, regulations, rules, and regulatory bulletins applicable to the conduct of the licensed business in Massachusetts.”

“In the event of the insolvency, liquidation, or bankruptcy of the mortgage lender or mortgage broker, or the expiration, surrender, or revocation of the relevant license, the corporate surety bond shall continue to be held by the Treasurer for a period of twelve months from the date of such insolvency, liquidation, or bankruptcy of the mortgage lender or mortgage broker, or the expiration, surrender, or revocation and until the expiration of sixty days after final judgment in any action or suit commenced prior to the end of said period, unless otherwise directed by the order or judgment of a court of competent jurisdiction. Nothing contained herein shall prevent the Commissioner of Banks, through the Treasurer, from continuing to retain possession of the corporate surety bond, or its proceeds, in the event of ongoing litigation involving the mortgage lender or mortgage broker.” Regulatory Bulletin 5.2-101

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Mass. Ann. Laws ch. 255E

Other sources: 209 CMR 42.03
Regulatory Bulletin 5.2-101

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$49,999,999 | \$100,000 |
| \$50,000,000 - \$249,999,999 | \$250,000 |
| \$250,000,000 or more | \$500,000 |

If an entity holds both a mortgage lender and a mortgage broker license, it must provide two bonds in the required amounts.

Bond Condition: Same condition as broker's bond

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originators

Statute: Mass. Ann. Laws ch. 255F, § 12

Other sources: 209 CMR 41.04
Regulatory Bulletin 5.2-101

All mortgage loan originators must be covered by a surety bond, either through their employer or independently, for their entire registration period. The surety bond of a mortgage broker or mortgage lender furnished by the originator's employer satisfies this requirement. If a bond is provided independently, the amount must be \$25,000.

An entity that is exempt from the broker or licensing requirement may furnish a broker or lender bond to cover its originators.

State: Michigan

Mortgage Broker

Statute: Mich. Comp. Laws Serv. § 445.1654 (first mortgage)
Mich. Comp. Laws Serv. § 493.56 (second mortgage)

Other sources: Bond Form

Amount: \$25,000 for an applicant who acts as a mortgage broker and who receives funds from a prospective borrower before the closing of a mortgage loan or who acts as a mortgage lender. \$125,000 for an applicant who acts as a mortgage servicer.

Bond Condition: Compliance with Act No. 173, Public Acts of 1987 (for first mortgage) or Act No. 125, Public Acts of 1981 (for second mortgage) and all rules and regulations. In addition, bond is conditioned on payment of “any and all monies that may become due or owing to said State and to such person or persons” by virtue of the applicable statute and regulations.

Cancellation: No cancellation clause.

Continuous or Annual: Annual, but may be continued with continuation certificate.

Mortgage Lender

Lender requirements are subject to the same statutory and regulatory requirements as the broker, including bond forms.

Mortgage Loan Originators

Statute: Mich. Comp. Laws Serv. § 493.159

Other sources: Bond Form (same bond forms as above)

Amount:

The mortgage loan originator may furnish the bond individually or be covered by a bond furnished by a sponsoring employer.

Individual

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
|-------------------------------|---------------------------------------|

| | |
|--|----------|
| up to \$12,000,000 | \$10,000 |
| \$12,000,000 to less than \$24,000,000 | \$25,000 |
| \$24,000,000 or more | \$50,000 |

Company Bond – Covers All Mortgage Loan Originators

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| up to \$12,000,000 | \$50,000 |
| \$12,000,000 to less than \$24,000,000 | \$150,000 |
| \$24,000,000 or more | \$250,000 |

Bond Condition: Compliance with applicable law and regulations. In addition, bond is conditioned on payment of “any and all monies that may become due or owing to said State and to such person or persons” by virtue of the applicable statute and regulations.

Cancellation: No cancellation clause

Continuous or Annual: Annual, but may be continued with continuation certificate.

State: Minnesota

Mortgage Broker

Mortgage Lender

Bond requirements are found under the licensing framework for mortgage loan originators and servicers.

Mortgage Loan Originators

Statute: Minn. Stat. Ann. § 58.04
Minn. Stat. Ann. § 58.08
Minn. Stat. Ann. § 58A.13

Licensing applies to entities that “act as a residential mortgage originator, or [those who] make residential mortgage loans.”

Other sources: Bond Form

Amount:

The bond must cover all mortgage loan originators who are employees of the applicant.

| Annual Volume of Loans | Required Amount of Surety Bond |
|--------------------------------------|---------------------------------------|
| Up to \$5,000,000 | \$100,000 |
| Over \$5,000,000 up to 10,000,000 | \$125,000 |
| Over \$10,000,000 up to \$25,000,000 | \$150,000 |
| Over \$25,000,000 | \$200,000 |

Bond Condition: “1. The purpose of this obligation . . . is to secure compliance by Principal and all mortgage loan originators who are employees or independent agents of the Principal . . . with the terms of Minnesota Statutes, Sections 58.01 to 58.18, 58A.01 to 58A.22, and any other legal obligations arising out of the Principal’s conduct as a residential originator or Principal’s MLO’s conduct as mortgage loan originators.”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

State: Mississippi

Mortgage Broker

Statute: Miss. Code Ann. § 81-18-7
Miss. Code Ann. § 81-18-11

Other sources: 05-000 Code Miss. R. § 002.1.1
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
|-------------------------------|---------------------------------------|

| | |
|----------------------------------|----------|
| Not more than \$1,000,000 | \$15,000 |
| Over \$1,000,000 up to 5,000,000 | \$20,000 |
| Over \$5,000,000 | \$25,000 |

Bond Condition: “[W]ell and truly operate its business in conformity with, and shall abide by, the laws of this State regulating the mortgage industry . . . and shall faithfully perform the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment which may be recovered against such Principal on account of damages . . . arising . . . from any violation of the provisions of the Mississippi S.A.F.E. Mortgage Act”

Cancellation: No cancellation clause

Continuous or Annual: Annual, but may be continued with a continuation certificate

Mortgage Lender

Bond requirements are found under the same licensing framework for brokers.

Statute: Miss. Code Ann. § 81-18-7
Miss. Code Ann. § 81-18-11

Other sources: 05-000 Code Miss. R. § 002.1.1
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
|-------------------------------|---------------------------------------|

| | |
|------------------------------------|-----------|
| Not more than \$10,000,000 | \$75,000 |
| Over \$10,000,000 up to 25,000,000 | \$100,000 |
| Over \$25,000,000 | \$150,000 |

Bond Condition: “[W]ell and truly operate its business in conformity with, and shall abide by, the laws of this State regulating the mortgage industry . . . and shall faithfully perform the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment which may be recovered against such Principal on account of damages . . . arising . . . from any violation of the provisions of the Mississippi S.A.F.E. Mortgage Act”

Cancellation: No cancellation clause.

Continuous
or Annual: Annual, but may be continued with a continuation certificate.

Mortgage Loan Originators

Pursuant to Miss Code Ann. § 81-18-11, each mortgage loan originator shall be covered by the employer’s bond as a licensed mortgage broker or lender.

State: Missouri

Mortgage Broker

Statute: Mo. Rev. Stat. § 443.731
Mo. Rev. Stat. § 443.849

Licensing applies a “residential mortgage loan broker.” This term is defined broadly to mean, “any person, other than an exempt person, engaged in the business of brokering, funding, servicing, or purchasing residential mortgage loans.” Mo. Rev. Stat. § 443.703.

Other sources: Mo. Code Regs. Ann. tit. 20, § 1140-30.310
Bond Form

Amount:

| Amount of Loans Brokered, Funded or Serviced in the Prior Year | Bond Amount for Loans Brokered | Bond Amount for Loans Funded | Bond Amount for Loans Serviced |
|---|---|---|---|
| \$7,500,000 or less | \$50,000 | \$50,000 | \$50,000 |
| \$7,500,001-\$15,000,000 | \$50,000 | \$100,000 | \$100,000 |
| \$15,000,001-\$22,500,000 | \$75,000 | \$150,000 | \$150,000 |
| \$22,500,001-\$30,000,000 | \$100,000 | \$200,000 | \$200,000 |
| \$30,000,001-\$45,000,000 | \$150,000 | \$300,000 | \$300,000 |
| \$45,000,001-\$60,000,000 | \$200,000 | \$400,000 | \$400,000 |
| \$60,000,001 or more | \$250,000 | \$500,000 | \$500,000 |

If an entity engages in a combination of brokering, funding and servicing, the amount of the bond is based on the category that results in the highest amount.

Bond Condition: “[F]aithfully conform to and abide by the provisions of this statute and will honestly and faithfully apply all funds received and perform all obligations and undertakings under the aforesaid statute [443.701 - 443.893 RSMo Supp] and will pay to the State and to any person all money that becomes due and owing to the Commissioner or to such person under the provisions of the aforesaid statute. . . .”

Cancellation: 60 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Bond requirements are found under the licensing framework for brokers.

Mortgage Loan Originators

Pursuant to Mo. Rev. Stat. § 443.731, each mortgage loan originator shall be covered by the employer's bond for licensed mortgage broker.

State: Montana

Mortgage Broker

Statute: Mont. Code Ann. § 32-9-102
Mont. Code Ann. § 32-9-123

Other sources: Mont. Admin. R. 2.59.1701 *et seq.*
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| \$50,000,000 or less | \$25,000 |
| \$50,000,000 to \$100,000,000 | \$50,000 |
| More than \$100,000,000 | \$100,000 |

The amount of bond for a mortgage servicer is \$100,000

Bond Condition: “[C]omply with the provisions of the MMA, all regulations duly promulgated thereunder, and all other laws applicable to the conduct of its business, and shall pay any and all monies that may become due and owing to the State of Montana which shall include, but not be limited to monies owed for examination fees, fines, or civil penalties under and by virtue of the provisions of the MMA or the rules of the Division, and shall pay any and all monies that may become due and owing any person due to the violation of any such laws and regulations by the principal”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Mont. Code Ann. § 32-9-102
Mont. Code Ann. § 32-9-123

Other sources: Mont. Admin. R. 2.59.1701 *et seq.*
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| \$50,000,000 or less | \$25,000 |
| \$50,000,000 to \$100,000,000 | \$50,000 |
| More than \$100,000,000 | \$100,000 |

The amount of bond for a mortgage servicer is \$100,000

Bond Condition: “[C]omply with the provisions of the MMA, all regulations duly promulgated thereunder, and all other laws applicable to the conduct of its business, and shall pay any and all monies that may become due and owing to the State of Montana which shall include, but not be limited to monies owed for examination fees, fines, or civil penalties under and by virtue of the provisions of the MMA or the rules of the Division, and shall pay any and all monies that may become due and owing any person due to the violation of any such laws and regulations by the principal”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originators

Pursuant to Mont. Code Ann. § 32-9-123, if the mortgage loan originator is an employee of a licensed mortgage lender or mortgage broker, it may be covered under his or her employer’s bond.

State: Nebraska

Mortgage Broker

The licensing requirement for a “mortgage banker” is applicable to mortgage broker activities as the definition of mortgage banker is broad and includes activities typically considered mortgage brokerage activities (see below). A mortgage banker includes any person or business that, “for compensation or gain or in the expectation of compensation or gain, directly or indirectly makes, originates, services, negotiates, acquires, sells, arranges for, or offers to make, originate, service, negotiate, acquire, sell, or arrange for a residential mortgage loan.” Neb. Rev. Stat. Ann § 45-702.

Mortgage Lender

Statute: Neb. Rev. Stat. Ann § 45-724
Neb. Rev. Stat. Ann § 45-702

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---------------------------------------|---------------------------------------|
| Up to \$5,000,000 | \$100,000 |
| Over \$5,000,000, up to \$10,000,000 | \$125,000 |
| Over \$10,000,000, up to \$25,000,000 | \$150,000 |
| \$25,000,000 or more | \$200,000 |

Bond Condition Strict compliance with the Residential Mortgage Licensing Act, Neb. Rev. Stat. Ann § 45-701 to 45-754 and all rules and regulations promulgated thereunder and satisfaction of “any loss or damage suffered by the State of Nebraska or any person dealing with the Principal resulting from the Principal’s violation of the Act. . . . The Director, or any person suffering such loss or damage, has the right to bring an action on this bond against the Principal or Surety.”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Per Neb. Rev. Stat. Ann § 45-724, the mortgage banker’s surety bond shall cover all mortgage loan originators who are employees or independent agents of the mortgage banker.

State: Nevada

Mortgage Broker

Statute: Nev. Rev. Stat. Ann. § 645B.042

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$20,000,000 | \$50,000 |
| More than \$20,000,000 | \$75,000 |

Bond Condition “[S]trictly, honestly and faithfully comply with the provisions of chapter 645B of NRS, and pay all damages suffered by any person because of a violation of any of the provisions of chapter 645B of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 645B of NRS”

Cancellation: 60 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Nev. Rev. Stat. Ann. § 645B.042. A lender is required to provide a bond as a result of employing mortgage agents, to which NRS 645B pertains. NRS645E governs the activities of a mortgage lender.

In the event that the mortgage agent is an employee of, or is associated with a mortgage banker subject to licensing pursuant to NRS Chapter 645E, the surety bond of the mortgage banker can be used in lieu of the mortgage agent’s individual surety bond. . . .”

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$20,000,000 | \$50,000 |
| More than \$20,000,000 | \$75,000 |

Bond Condition “[S]trictly, honestly and faithfully comply with the provisions of chapter 645B of NRS, and pay all damages suffered by any person because of a violation of any of the

provisions of chapter 645B of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 645B of NRS”

Cancellation: 60 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Per NRS 645B.405, “Mortgage loan originator” must maintain a license as a “mortgage agent” and is subject to all regulatory requirements, including the bond requirement (see above).

State: New Hampshire

Mortgage Broker

Statute: N.H. Rev. Stat. Ann. § 397-A:5

Other sources: Bond Form

Amount: \$50,000

Bond Condition “[C]omply with any and all provisions of NH RSA 397-A as now or hereafter amended, and any and all rules, regulations and orders issued or hereafter to be issued by the Bank Commissioner...”

Cancellation: 30 days prior notice (limitations period of 6 years from date of the act or omission)

Continuous
or Annual: Continuous

Mortgage Lender

Statute: N.H. Rev. Stat. Ann. § 397-A:5

Other sources: Bond Form

Amount: \$100,000

Bond Condition “[C]omply with any and all provisions of NH RSA 397-A as now or hereafter amended, and any and all rules, regulations and orders issued or hereafter to be issued by the Bank Commissioner...”

Cancellation: 30 days prior notice (limitations period of 6 years from date of the act or omission)

Continuous
or Annual: Continuous

Mortgage Loan Originator

Per N.H. Rev. Stat. Ann. § 397-A:5, “Surety bonds [of banker or broker] shall provide coverage in an amount that reflects the dollar amount of loans originated by each mortgage loan originator employed by or retained by the mortgage banker or mortgage broker.”

State: New Jersey

Mortgage Broker

Statute: N.J. Stat. § 17:11C-63

Other sources: N.J. Admin. Code § 3:15-3.1
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| \$0 to \$50,000,000 | \$150,000 |
| \$50,000,001 to \$75,000,000 | \$200,000 |
| \$75,000,001 to \$100,000,000 | \$250,000 |
| Over \$100,000,000 | \$300,000 |

Bond Condition Compliance with applicable statutes “and will commit no wrongful act, default, omission, fraud or misrepresentation, and perform all obligations and undertakings honestly, fairly, equitably and efficiently when engaging in the first or second mortgage lending business in this State and will pay to the State any and all money that may become due and owing to the State under and by virtue of the provisions of N.J.S.A. 17:11C-51 et seq. . . .”

Cancellation: 30 days prior notice.

Continuous
or Annual: Continuous

Mortgage Lender

Subject to the same statutory and regulatory scheme that is applicable to brokers, including the same bond form.

Statute: N.J. Stat. § 17:11C-63

Other sources: N.J. Admin. Code § 3:15-3.1
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| \$0 to \$50,000,000 | \$150,000 |
| \$50,000,001 to \$75,000,000 | \$200,000 |
| \$75,000,001 to \$100,000,000 | \$250,000 |
| Over \$100,000,000 | \$300,000 |

Bond Condition Compliance with applicable statutes “and will commit no wrongful act, default, omission, fraud or misrepresentation, and perform all obligations and undertakings honestly, fairly, equitably and efficiently when engaging in the first or second mortgage lending business in this State and will pay to the State any and all money that may become due and owing to the State under and by virtue of the provisions of N.J.S.A. 17:11C-51 et seq. . . .”

Cancellation: 30 days prior notice.

Continuous
or Annual: Continuous

Mortgage Loan Originator

Bond coverage is obtained through the bond requirement for lenders and brokers.

State: New Mexico

Mortgage Broker

Licensing applies to a “mortgage loan company” which is defined broadly to include the typical activities of a broker and lender.

Statute: N.M. Stat. Ann. § 58-21-7

Other sources: N.M. Code R. § 12.19.8.14
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| \$0 to \$3,000,000 | \$50,000 |
| More than \$3,000,000, less than \$10,000,000 | \$100,000 |
| \$10,000,000 or more | \$150,000 |

Bond Condition Compliance with applicable statutes, orders and regulations

Cancellation: 30 days prior notice (limitations period of 6 years from date of the act or omission)

Continuous or Annual: Continuous

Mortgage Lender

Licensing applies to a “mortgage loan company” which is defined broadly to include the typical activities of a broker and lender. Accordingly, see above.

Mortgage Loan Originator

Statute: N.M. Stat. Ann. § 58-21B-17

This provision establishes the bond requirement for a mortgage loan originator. However, if the mortgage loan originator is an employee or exclusive agent of a mortgage loan company subject to the Mortgage Loan Company Act, the surety bond of the mortgage loan company subject to that act may be used in lieu of the mortgage loan originator's surety bond requirement.

Other sources: N.M. Code R. § 12.19.2.9
Bond Form

Amount:

Annual Volume of Loans**Required Amount of Surety Bond**

| | |
|---|-----------|
| \$0 to \$3,000,000 | \$50,000 |
| More than \$3,000,000, less than \$10,000,000 | \$100,000 |
| \$10,000,000 or more | \$150,000 |

Bond Condition Compliance with applicable statutes, orders and regulations

Cancellation: 30 days prior notice (limitations period of 6 years from date of the act or omission)

Continuous
or Annual: Continuous

State: New York

Mortgage Broker

Statute: N.Y. Banking Law § 591-a

Other sources: N.Y. Comp. Codes R. & Regs. tit. 3, § 410.14
Bond Form

Amount:

| Number of New York Applications | Required Amount of Surety Bond |
|--|---------------------------------------|
| 0-24 | \$10,000 |
| 25-99 | \$25,000 |
| 100-299 | \$50,000 |
| 300-599 | \$75,000 |
| 600 and over | \$100,000 |

Bond Condition Bond is “for the exclusive use of the Superintendent for the reimbursement of consumer fees or other charges determined by the Superintendent to be improperly charged or collected and to pay past due Banking Department examination costs and assessments charged to the principal, unpaid penalties, or other obligations of the principal in the event of the insolvency, liquidation or bankruptcy of the principal” Payment is upon written demand of the Superintendent.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: N.Y. Banking Law § 591

Other sources: N.Y. Comp. Codes R. & Regs. tit. 3, § 410.8
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--------------------------------|---------------------------------------|
| Up to \$9,999,999 | \$50,000 |
| \$10,000,000 to \$29,999,999 | \$100,000 |
| \$30,000,000 to \$99,999,999 | \$150,000 |
| \$100,000,000 to \$199,999,999 | \$250,000 |
| \$200,000,000 to \$299,999,999 | \$350,000 |
| \$300,000,000 and over | \$500,000 |

Bond Condition Bond is “for the exclusive use of the Superintendent for the reimbursement of consumer fees or other charges determined by the Superintendent to be improperly charged or collected and to pay past due Banking Department examination costs and assessments charged to the principal, unpaid penalties, or other obligations of the principal in the event of the insolvency, liquidation or bankruptcy of the principal”

Cancellation: 30 days prior notice

Continuous or Annual: Continuous

Mortgage Loan Originator

Statute: N.Y. Banking Law § 599-k

Other sources: N.Y. Comp. Codes R. & Regs. tit. 3, § 420.15
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$1,000,000 | \$10,000 |
| \$1,000,000 to \$7,499,999 | \$15,000 |
| \$7,500,000 to \$14,999,999 | \$25,000 |
| \$15,000,000 to \$29,999,999 | \$50,000 |
| \$30,000,000 to \$49,999,999 | \$75,000 |
| \$50,000,000 and over | \$500,000 |

If an entity maintains a bond covering some or all of its licensed mortgage loan originators, such bond shall be in an amount equal to the aggregate of the individual bonds required for the covered mortgage loan originators calculated as set forth above. However, the bond maintained by an Originating Entity to cover its mortgage loan originators is not required to be in excess of the amount outlined below:

| Number of Individuals who are Required to be Licensed as Mortgage Loan Originators | Required Amount of Surety Bond |
|---|---------------------------------------|
| less than 10 | \$100,000 |
| 10-15 | \$150,000 |
| 16-24 | \$250,000 |
| 25 or more | \$500,000 |

Bond Condition “[C]omply with Section 599-k of the New York Banking Law with respect to the mortgage loan activities of its licensed mortgage loan originators employed by or who are independent contractors of Originating Entity and who are not covered by an individual bond”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

State: North Carolina

Mortgage Broker

Statute: N.C. Gen. Stat. § 53-244.103

Other sources: 4 N.C. Admin. Code 3M.0206
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Up to \$10,000,000 | \$75,000 |
| In excess of \$10,000,000, but less than \$50,000,000 | \$125,000 |
| \$50,000,000 or more | \$250,000 |

Bond Condition “[F]aithful performance ... under Article 19B of Chapter 53 of the North Carolina General Statutes, the North Carolina Secure and Fair Enforcement Licensing Act (“NC SAFE Act”) as it now exists or is later amended.”

Cancellation: 90 days prior notice (with a 5 year tail)

Continuous or Annual: Continuous

Mortgage Lender

Statute: N.C. Gen. Stat. § 53-244.103

Other sources: 4 N.C. Admin. Code 3M.0206
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Up to \$10,000,000 | \$150,000 |
| In excess of \$10,000,000, but less than \$50,000,000 | \$250,000 |
| \$50,000,000 or more | \$500,000 |

Bond Condition Compliance with applicable statutes.

Cancellation: 90 days prior notice (with a 5 year tail).

Continuous
or Annual:

Continuous

Mortgage Loan Originator

Pursuant to N.C. Gen. Stat. § 53-244.103, each mortgage loan originator shall be covered by a surety bond through employment with a broker or lender.

State: North Dakota

Mortgage Broker / Mortgage Loan Originator

This statutory and regulatory scheme applies to “money brokers,” which are individuals or non-bank entities that engage in the act of arranging or providing loans for any purpose.

Statute: N.D. Cent. Code § 13-10-13

Other sources: Bond Form

Amount: \$25,000

Bond Condition “[F]aithfully conform to and abide by each and every provision of the Act [North Dakota Century Code Chapter 13-04.1] and of all rules and regulations and orders lawfully made by the Commissioner, and pay to the State and to any such person or persons having a right of action against the Obligors any and all monies that may become due or owing to the State and to such person or persons from said Obligors under and by virtue of the provisions of the Act”

Cancellation: 60 days prior notice

Continuous
or Annual: Continuous

State: Ohio

Mortgage Broker

Statute: Ohio Rev. Code Ann. § 1322.05
Ohio Rev. Code Ann. § 1321.533

Other sources: Ohio Admin. Code 1301:8-7-14
Bond Form

Amount: 0.5% of the aggregate loan amount of residential mortgage loans originated in the prior year, plus \$10,000 for each location in addition to the primary location, subject to a minimum amount of \$50,000 and a maximum of \$150,000.

Bond Condition Bond is for the benefit of “any buyer injured by a violation by any employee of the registrant . . . of any provision of the OMBA. . . .”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Ohio Rev. Code Ann. § 1322.05
Ohio Rev. Code Ann. § 1321.533

Other sources: Ohio Admin. Code 1301:8-7-14
Bond Form

Amount: 0.5% of the aggregate loan amount of residential mortgage loans originated in the prior year, plus \$10,000 for each location in addition to the primary location, subject to a minimum amount of \$50,000 and a maximum of \$150,000.

Bond Condition Bond is for the benefit of “any buyer injured by a violation by any employee of the registrant . . . of any provision of the OMLA. . . .”

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Originator may provide the bonds noted above individually or be covered by a bond furnished by an entity pursuant to R.C. § 1322.05 or R.C. § 1321.533.

State: Oklahoma

Mortgage Broker

Mortgage brokers and mortgage loan originators are subject to the licensing requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act (Okla. Stat. tit. 59, § 46C-1). Under Okla. Stat. tit. 59, § 2095.20, a recovery fund was established for the payment of claims, rather than a bond.

Mortgage Lender

A mortgage lender may be subject to the bond requirement of a “supervised lender” if it is making “supervised loans.” See A “supervised loan” is defined in Okla. Stat. tit. 14A, § 3-501 as “a consumer loan in which the rate of the loan finance charge exceeds ten percent (10%) per year as determined according to the provisions on loan finance charge for consumer loans.”

Statute: Okla. Stat. tit. 14A, § 3-503

Other sources: Okla. Admin. Code § 160:65-5-1

Amount: \$5,000 for the first license and \$1,000 for each additional license.

Bond Condition “[O]bligor will faithfully conform to and abide by the provisions of this title and to all rules lawfully made by the Administrator hereunder and will pay to the state and to any such person or persons any and all amounts of money that may become due or owing to the state or to such person or persons” Okla. Stat. tit. 14A, § 3-503.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

See commentary above regarding mortgage broker requirements.

State: Oregon

Mortgage Broker

Statute: Or. Rev. Stat. Ann. § 86A.106

Other sources: Or. Admin. R. 441-885-0010
Or. Admin. R. 441-860-0090
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Less than \$10,000,000 | \$50,000 |
| \$10,000,000 to less than \$25,000,000 | \$75,000 |
| \$25,000,000 to less than \$50,000,000 | \$100,000 |
| \$50,000,000 to less than \$100,000,000 | \$150,000 |
| \$100,000,000 or more | \$200,000 |

Bond Condition “[C]omply with the provisions of ORS 86A.100 through 86A.992.

Cancellation: 30 days prior notice. Per Or. Admin. R. 441-860-0085, five years after principal ceases to be licensed, surety may apply to the director for release.

Continuous
or Annual: Continuous

Mortgage Lender

Both Or. Rev. Stat. Ann. § 86A.106 and § 86A.227 apply to mortgage bankers and mortgage brokers. Accordingly the bonding requirements are identical.

Mortgage Loan Originator

Statute: Or. Rev. Stat. Ann. § 86A.227
Or. Rev. Stat. Ann. § 86A.151

Other sources: Or. Admin. R. 441-860-0090

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Less than \$10,000,000 | \$50,000 |
| \$10,000,000 to less than \$25,000,000 | \$75,000 |
| \$25,000,000 to less than \$50,000,000 | \$100,000 |
| \$50,000,000 to less than \$100,000,000 | \$150,000 |
| \$100,000,000 or more | \$200,000 |

An originator is covered by the same bond furnished by the licensed broker or banker.

State: Pennsylvania

Mortgage Broker

Bond requirement is a function of employing mortgage loan originators.

Statute: 7 Pa. Cons. Stat. Ann. § 6131

Other sources: Department of Banking guidance
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| Less than \$15,000,000 | \$50,000 |
| \$15,000,000 to less than \$30,000,000 | \$75,000 |
| \$30,000,000 to less than \$50,000,000 | \$100,000 |
| \$50,000,000 or more | \$150,000 |

A broker that accepts advance fees is also required to furnish a \$100,000 bond. The bond shall be “for the use of any person against the mortgage broker for failure to carry out the terms of any provision for which advance fees are paid.” (7 Pa. Cons. Stat. Ann. § 6131).

Bond Condition “[F]or the use of the Commonwealth and for the use of any consumer who is injured by the acts or omissions of the licensee’s mortgage originators that are related to the mortgage loan business regulated by this chapter.” (7 Pa. Cons. Stat. Ann. § 6131).

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Bond requirement is a function of employing mortgage loan originators.

Statute: 7 Pa. Cons. Stat. Ann. § 6131

Other sources: Department of Banking guidance
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Less than \$30,000,000 | \$100,000 |

| | |
|--|-----------|
| \$30,000,000 to less than \$100,000,000 | \$200,000 |
| \$100,000,000 to less than \$250,000,000 | \$300,000 |
| \$250,000,000 or more | \$500,000 |

Bond Condition “[F]or the use of the Commonwealth and for the use of any consumer who is injured by the acts or omissions of the licensee’s mortgage originators that are related to the mortgage loan business regulated by this chapter.” (7 Pa. Cons. Stat. Ann. § 6131).

Cancellation: 30 days prior notice

Continuous or Annual: Continuous

Mortgage Loan Originator

Statute: 7 Pa. Cons. Stat. Ann. § 6131

Other sources: Department of Banking guidance
Bond Form

Amount: An originator must be employed by a sponsoring entity. The originator may be covered under the licensed broker or lender. If an entity is exempt from the licensing requirements and does not elect to maintain bond coverage for its originators, an originator shall furnish its own bond. Such a bond shall be in the following amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| Less than \$7,500,000 | \$25,000 |
| \$7,500,000 to less than \$15,000,000 | \$50,000 |
| \$15,000,000 to less than \$30,000,000 | \$75,000 |
| \$30,000,000 to less than \$50,000,000 | \$100,000 |
| \$50,000,000 or more | \$150,000 |

Bond Condition “[F]or the use of the Commonwealth and for the use of any consumer who is injured by the acts or omissions of the licensee’s mortgage originators that are related to the mortgage loan business regulated by this chapter.” (7 Pa. Cons. Stat. Ann. § 6131).

For a bond of a sponsor of an originator, “[S]hall maintain this bond to provide coverage for the actions and omissions of the mortgage originators sponsored by Principal. If Principal shall faithfully: a) ensure that its mortgage originators comply with and abide by the provisions of the Act; and b) ensure that its mortgage originators comply with and abide by all the rules and regulations of the Department issued in accordance with the Act; and c) pay any moneys due to the Commonwealth, the Department, or any person or persons who is injured by the acts or omissions of its mortgage originators related to the mortgage loan business under the provisions of this Act”

Cancellation: 30 days prior notice

Continuous
or Annual:

Continuous

State: Rhode Island

Mortgage Broker

Statute: 19 R.I. Gen. Laws § 14-6
19 R.I. Gen. Laws § 14.10-14

Other sources: Bond Form

Amount: \$20,000 plus \$5,000 for each branch (bond of loan broker). If broker will use branch offices, then it must increase the Surety Bond by: 1) \$10,000 if they maintain four (4) to seven (7) branch locations; or 2) \$25,000 if they maintain eight (8) or more branch locations.

Bond Condition Bond secures compliance with applicable statutes and regulations and payment to the State and any person any moneys that may become due on account of violations of applicable statutes and regulations.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: 19 R.I. Gen. Laws § 14-6
19 R.I. Gen. Laws § 14.10-14

Other sources: Bond Form

Amount: \$50,000 plus \$5,000 for each branch (bond of loan lender). If lender will use branch offices, then it must increase the Surety Bond by: 1) \$10,000 if they maintain four (4) to seven (7) branch locations; or 2) \$25,000 if they maintain eight (8) or more branch locations.

Bond Condition Bond secures compliance with applicable statutes and regulations and payment to the State and any person any moneys that may become due on account of violations of applicable statutes and regulations.

Cancellation: 30 days prior notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Pursuant to 19 R.I. Gen. Laws § 14.10-14, each mortgage originator shall be covered by a surety bond. The surety bond of a lender or broker can be used in lieu of a mortgage originator's individual bond as long as the amount is increased as required.

State: South Carolina

Mortgage Broker

Statute: S.C. Code Ann. § 40-58-40

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Less than \$50,000,000 | \$25,000 |
| \$50,000,000 to less than \$100,000,000 | \$40,000 |
| \$100,000,000 or more | \$55,000 |

Bond Condition Bond secures compliance with applicable statutes and regulations and providing contracted mortgage broker services to customers.

Cancellation: 45 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: S.C. Code Ann. § 37-22-140

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Less than \$50,000,000 | \$50,000 |
| \$50,000,000 to less than \$250,000,000 | \$100,000 |
| \$250,000,000 or more | \$150,000 |

Bond Condition Bond secures compliance with applicable statutes and regulations and providing contracted mortgage lender services to customers.

Cancellation: 45 days written notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Regulatory framework for lenders and brokers requires the licensing of originators employed by brokers and lenders. Thus, the originator bond requirement is met by the bond required by the lender or broker.

State: South Dakota

Mortgage Broker

Statute: S.D. Codified Laws § 54-14-24

Other sources: S.D. Admin. R. 20:07:19:07
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Less than \$25,000,000 | \$25,000 |
| \$25,000,000 to \$100,000,000 | \$35,000 |
| \$100,000,000 or more | \$50,000 |

Bond Condition “[A]bide by each and every provision of the Act [SDCL Chapter 54-14] and of all rules and regulations and orders lawfully made by the Director of the Division and pay to the State and to any such person or persons having a right of action against the Obligors any and all monies that may become due or owing to the State and to such person or persons from said Obligors under and by virtue of the provisions of the Act...”

Cancellation: 30 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

The same statutory and regulatory framework applies to mortgage lenders, mortgage brokerages, mortgage brokers, and mortgage loan originators.

Mortgage Loan Originator

The same statutory and regulatory framework applies to mortgage lenders, mortgage brokerages, mortgage brokers, and mortgage loan originators. The originator may post his or her bond or be covered by a bond furnished by his or her employer.

Statute: S.D. Codified Laws § 54-14-24

Other sources: S.D. Admin. R. 20:07:19:07
Bond Form

Amount:

Annual Volume of Loans**Required Amount of Surety Bond**

| | |
|-------------------------------|----------|
| Less than \$25,000,000 | \$25,000 |
| \$25,000,000 to \$100,000,000 | \$35,000 |
| \$100,000,000 or more | \$50,000 |

Bond Condition “[A]bide by each and every provision of the Act [SDCL Chapter 54-14] and of all rules and regulations and orders lawfully made by the Director of the Division and pay to the State and to any such person or persons having a right of action against the Obligors any and all monies that may become due or owing to the State and to such person or persons from said Obligors under and by virtue of the provisions of the Act...”

Cancellation: 30 days written notice

Continuous
or Annual: Continuous

State: Tennessee

Mortgage Broker

Statute: Tenn. Code Ann. § 45-13-204

Other sources: Tenn. Comp. R. & Regs. 0180-17-.08
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| Less than \$10,000,000 | \$45,000 |
| \$10,000,000 to less than \$50,000,000 | \$90,000 |
| \$50,000,000 or more | \$135,000 |

\$90,000 for the first year of licensing

Bond Condition Bond secures compliance with applicable statutes and regulations and payment of any amounts owed on account of the applicable statute and regulations.

Cancellation: No cancellation provision

Continuous or Annual: Annual (with a 2 year tail), but may be continued with a continuation certificate

Mortgage Lender

Statute: Tenn. Code Ann. § 45-13-204 (mortgage lenders)
Tenn. Code Ann. § 45-5-202 (industrial loan companies that make mortgage loans)

Other sources: Tenn. Comp. R. & Regs. 0180-17-.08 (mortgage lenders)
Tenn. Comp. R. & Regs. 0180-32-.02 (industrial loan companies that make mortgage loans)
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|--|---------------------------------------|
| Less than \$10,000,000 | \$100,000 |
| \$10,000,000 to less than \$50,000,000 | \$200,000 |
| \$50,000,000 or more | \$300,000 |

\$200,000 for the first year of licensing

Bond Condition Bond secures compliance with applicable statutes and regulations and payment of any amounts owed on account of the applicable statute and regulations.

Cancellation: No cancellation provision

Continuous
or Annual: Annual (with a 2 year tail), but may be continued with a continuation certificate

Mortgage Loan Originator

The acts of the mortgage loan originator are covered under the bond furnished by the broker or lender.

State: Texas

There is no bond requirement for a mortgage brokers, lenders, or loan originators. Acts of mortgage loan originators are generally covered by a recovery fund.

State: Utah

Mortgage Broker / Mortgage Lender

There is no separate bond requirement for a mortgage broker or mortgage lender. However, a “mortgage entity”, which is a business that engages in the business of residential mortgage loans, may furnish a bond covering its mortgage loan originators. (See below).

Mortgage Loan Originator

Statute: Utah Code Ann. § 70D-3-205

Other sources: Utah Admin. R. 343-5
Bond Form

Amount:

If the originator furnishes his or her own bond, the required amount is:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$5,000,000 | \$12,500 |
| \$5,000,000 to \$15,000,000 | \$25,000 |
| Over \$15,000,000 | \$50,000 |

If a business entity furnishes a bond on behalf of its originators, the amount is based on the volume of the entity:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$10,000,000 | \$25,000 |
| \$10,000,000 to \$30,000,000 | \$50,000 |
| Over \$30,000,000 | \$100,000 |

Bond Condition Bond secures reimbursement of expenses that the state incurs in connection with administrative or judicial proceedings against the licensee.

Cancellation: 30 days written notice

Continuous or Annual: Continuous

State: Vermont

Mortgage Broker

Statute: Vt. Stat. Ann. tit. 8, § 2203

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|----------------------------------|---------------------------------------|
| Up to \$2,000,000 | \$25,000 |
| Over \$2,000,000 to \$5,000,000 | \$50,000 |
| Over \$5,000,000 to \$15,000,000 | \$75,000 |
| Over \$15,000,000 | \$100,000 |

Bond Condition “[F]aithfully conform to and abide by the provisions of this chapter [Vt. Stat. Ann. tit. 8, § 2203] and of all rules and regulations lawfully made by the Commissioner hereunder, and will pay to the State and to any such person or persons any and all monies that may become due or owing to the State or to such person or persons from such obligor under and by virtue of the provisions of this chapter...”

Cancellation: 60 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Vt. Stat. Ann. tit. 8, § 2203

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|----------------------------------|---------------------------------------|
| Up to \$1,000,000 | \$50,000 |
| Over \$1,000,000 to \$15,000,000 | \$100,000 |
| Over \$15,000,000 | \$150,000 |

Bond Condition “[F]aithfully conform to and abide by the provisions of this chapter [Vt. Stat. Ann. tit. 8, § 2203] and of all rules and regulations lawfully made by the Commissioner hereunder, and will pay to the State and to any such person or persons any and all monies that may become due or owing to the State or to such person or persons from such obligor under and by virtue of the provisions of this chapter...”

Cancellation: 60 days written notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Pursuant to 8 V.S.A. § 2203, in the event the loan originator is an employee of a licensed lender or broker, the surety bond of the lender or broker may be used to meet the originator's bond requirement.

State: Virginia

Mortgage Broker

Statute: Va. Code Ann. § 6.2-1604
Va. Code Ann. § 6.2-1703

Other sources: 10 Va. Admin. Code § 5-160-15
Bond Form

Amount:

Bond is furnished pursuant to the lender/broker licensing framework under Chapter 16 of the Code of Virginia and pursuant to the licensing requirements pertaining to mortgage loan originators under Chapter 17, to cover its employee mortgage loan originators.

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$5,000,000 | \$25,000 |
| \$5,000,001 to \$20,000,000 | \$50,000 |
| \$20,000,001 to \$50,000,000 | \$75,000 |
| \$50,000,001 to \$100,000,000 | \$100,000 |
| Over \$100,000,000 | \$150,000 |

Bond Condition “[S]trictly comply with the provisions of Chapter 16 and/or Chapter 17 of Title 6.2 of the Code of Virginia, as applicable, all regulations duly promulgated thereunder, and all other laws applicable to the conduct of its business, and shall pay and satisfy all loss, damage and liability suffered by or owing to the State Corporation Commission or any person dealing with the principal on account of its violation of any such laws and regulations...”

Cancellation: 90 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

The same statutory and regulatory framework applies to mortgage lenders and mortgage brokers, except that the minimum bond amount required for a mortgage lender or for a mortgage company with dual authority as both a mortgage lender and mortgage broker shall be \$50,000. (10 Va. Admin. Code § 5-160-15).

Mortgage Loan Originator

Bond may be furnished by an individual originator (covering Chapter 17) or on behalf of the originator by the licensed lender or broker in the amount noted above for a mortgage broker (covering Chapters 16 and 17).

State: Washington

Mortgage Broker

Statute: Wash. Rev. Code Ann. § 19.146.205. If the Department of Financial Institutions determines that the bond required under § 19.146.205 is not “reasonably available,” the director must waive the bond requirement and establish a recovery fund.

Other sources: Wash. Admin. Code § 208-660-175
Wash. Admin. Code § 660-660-176
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$20,000,000 | \$20,000 |
| \$20,000,000 to \$40,000,000 | \$40,000 |
| \$40,000,000 and above | \$60,000 |

Bond Condition “[F]aithfully conform to and abide by this chapter and all rules adopted under this chapter [Wash. Rev. Code Ann. § 19.146.205], and must reimburse all persons who suffer loss by reason of a violation of this chapter or rules adopted under this chapter.” An alternative bond form extends coverage to the act of independent contractors as well.

Cancellation: 30 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Wash. Rev. Code Ann. § 31.04.045 (Consumer Loan Act)

Other sources: Wash. Admin. Code § 208-620-320
Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------|---------------------------------------|
| Up to \$20,000,000 | \$30,000 |
| \$20,000,000 to \$40,000,000 | \$50,000 |
| \$40,000,000 to \$50,000,000 | \$100,000 |
| \$50,000,000 and above | \$150,000 |

Bond Condition “[F]aithfully conform to and abide by this chapter and all the rules adopted under this chapter [Wash. Rev. Code Ann. § 31.04.045]. The bond will pay to the state and any person or persons having a cause of action against the obligor all moneys that may become due and owing to the state and those persons under and by virtue of this chapter.”

Cancellation: 45 days written notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

An originator must work for a licensed company, which must furnish a bond in accordance with licensing requirements (see above).

State: West Virginia

Mortgage Broker

Statute: W. Va. Code § 31-17-4

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------------|---------------------------------------|
| Up to \$3,000,000 | \$50,000 |
| Over \$3,000,000 up to \$10,000,000 | \$75,000 |
| Over \$10,000,000 | \$100,000 |

Amount must be \$150,000 if broker participated in a “table-funded residential mortgage loan”.

Bond Condition “[C]onform to and abide by the provisions of said Act [W. Va. Code § 31-17] and of all rules and orders lawfully made or issued by the Commissioner of Financial Institutions thereunder, and shall pay to the State and shall pay to any such person or persons properly designated by the State any and all moneys that may become due or owing to the State or to such person or persons from said obligor in a suit brought by the Commissioner on their behalf under and by virtue of the provisions of said Act...”

Cancellation: 30 days written notice

Continuous
or Annual: Continuous

Mortgage Lender

Statute: W. Va. Code § 31-17-4

Other sources: Bond Form

Amount:

| Annual Volume of Loans | Required Amount of Surety Bond |
|-------------------------------------|---------------------------------------|
| Up to \$3,000,000 | \$100,000 |
| Over \$3,000,000 up to \$10,000,000 | \$150,000 |
| Over \$10,000,000 | \$250,000 |

Bond Condition “[C]onform to and abide by the provisions of said Act [W. Va. Code § 31-17] and of all rules and orders lawfully made or issued by the Commissioner of Financial Institutions thereunder, and shall pay to the State and shall pay to any such person or persons

properly designated by the State any and all moneys that may become due or owing to the State or to such person or persons from said obligor in a suit brought by the Commissioner on their behalf under and by virtue of the provisions of said Act...”

Cancellation: 30 days written notice

Continuous
or Annual: Continuous

Mortgage Loan Originator

Acts of mortgage loan originator employed by the lender or broker are covered under the lender or broker bond.

State: Wisconsin

Mortgage Broker

Statute: Wis. Stat. Ann. § 224.72
Wis. Stat. Ann. § 224.725
Wis. Admin. Code DFI-Bkg § 40.05

Other sources: Bond Form

Amount: \$120,000. A mortgage banker or mortgage broker shall increase its surety bond by \$10,000 for each licensed branch location when the number of its branch locations exceeds five.

Bond Condition “[F]aithful performance of all duties and obligations of a mortgage banker or mortgage broker, is payable to the division for the benefit of persons to whom the mortgage banker or mortgage broker provided services as a mortgage banker or mortgage broker.” The bond also covers costs, penalties, forfeitures and assessments charged to the Principal or incurred by the Division “which amounts shall be considered a preferred claim.”

Cancellation: 60 days written notice (3 year tail)

Continuous
or Annual: Continuous

Mortgage Lender

Statute: Wis. Stat. Ann. § 224.72
Wis. Stat. Ann. § 224.725
Wis. Admin. Code DFI-Bkg § 40.05

Other sources: Bond Form

Amount: \$300,000. A mortgage banker or mortgage broker shall increase its surety bond by \$10,000 for each licensed branch location when the number of its branch locations exceeds five.

Bond Condition Identical bond condition to mortgage broker, above.

Cancellation: 60 days written notice (3 year tail)

Continuous
or Annual: Continuous

Mortgage Loan Originator

Pursuant to Wis. Stat. Ann. § 224.725, a surety bond furnished by a sponsoring mortgage broker or a mortgage banker under § 224.72 may satisfy the requirement of an originator to furnish a bond if the bond provides coverage for each originator employed by the broker or banker “in an amount that reflects the dollar amount of residential mortgage loans originated by the mortgage loan originator.” However, no regulations or statutes establish such an amount.

State: Wyoming

Mortgage Broker

Statute: Wyo. Stat. Ann. § 40-23-110

Other sources: 021-0006-2 Wyo. Code R. § 1
Bond Form

Amount: An initial surety bond must be maintained by all licensees in the amount of \$ 25,000.00 until the first renewal date, after the initial license is obtained the bond is required as follows:

| Annual Volume of Loans | Required Amount of Surety Bond |
|---|---------------------------------------|
| Up to \$3,000,000 | \$25,000 |
| Over \$3,000,000 but less than \$10,000,000 | \$50,000 |
| Equal to or greater than \$10,000,000 | \$100,000 |

Bond Condition “[F]aithfully perform its obligations with respect to transactions governed under the Wyoming Residential Mortgage Practices Act (W.S. 40-23-101 through 40-23-133), and any rules promulgated pursuant thereto...”

Cancellation: 30 days written notice (with a 2 year tail)

Continuous
or Annual: Continuous

Mortgage Lender

The same statutory and regulatory framework applies to mortgage lending activities and mortgage brokering.

Mortgage Loan Originator

Pursuant to Wyoming Rules and Regulations 021-0006-3 Wyo. Code R. § 1, a mortgage loan originator license is active only if he or she is sponsored by a licensed broker or lender, which must furnish a bond.



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