

MORTGAGE LICENSEE SURETY BOND CALCULATION INSTRUCTIONS AND WORKSHEET FOR JULY 31, 2010 BONDING REQUIREMENT

Sections 36a-489(b)(1)(E) and 36a-492(a)(2) of the 2010 Supplement to the General Statutes together require, effective July 31, 2010, individuals seeking licensure as a mortgage loan originator and individuals so licensed to be covered by a bond with a penal sum maintained in an amount that reflects the dollar amount of loans originated by the mortgage loan originator, as determined by the Banking Commissioner, provided that such coverage shall be through the bond of the mortgage lender, mortgage correspondent lender or mortgage broker sponsoring such mortgage loan originator.

Likewise, Sections 36a-489(a)(1)(D) and 36a-492(a)(1) of the 2010 Supplement to the General Statutes together require, effective July 31, 2010, persons seeking licensure as a mortgage lender, mortgage correspondent lender or mortgage broker and persons already so licensed to maintain a bond in an amount that reflects the dollar amount of the loans originated, as determined by the Commissioner.

The approved surety bond form has been amended to reflect statutorily required language pertaining to mortgage loan originator coverage and is available [on our website](#). **This new form must be utilized in connection with obtaining bond coverage in the required amount, as set forth below.**

In accordance with his statutory authority, the Commissioner has determined that the statutory requirement that the penal sum of the bond “reflect[ing] the dollar amount of the loans originated” by the mortgage loan originator and the mortgage lender, mortgage correspondent lender or mortgage broker as required by the above-cited provisions shall be satisfied for purposes of the July 31, 2010 bonding requirement if mortgage lender, mortgage correspondent lender or mortgage broker licensees do the following:

- (1) Calculate the dollar amount of all Connecticut residential mortgage loans that closed in the course of your business *at all Connecticut-licensed locations* from January 1, 2010 to June 30, 2010: \$_____.
- (2) Multiply that figure by 2, to reflect the anticipated business for the second half of 2010: \$_____.
- (3) Refer to the applicable chart below for the required penal sum of the bond; \$_____. A bond in this amount shall be filed with the Commissioner in connection with the main office license, and an addendum must identify all existing Connecticut-licensed locations.

On and after July 31, 2010, new applicants that have no existing Connecticut-licensed locations shall use the minimum bond amount set forth in the applicable chart below. On and after July 31, 2010, existing licensees applying to license a new branch office need only to update the bond required by Section 36a-492 and these instructions to indicate on an addendum that such new branch office will be covered by the bond.

On and after July 31, 2010, all licensees have an obligation to ensure that the bond amount obtained pursuant to these instructions continues to be maintained consistent with the applicable chart below. Thus, you have an ongoing obligation to monitor the *actual* dollar amounts of the

Connecticut residential mortgage loans that closed in the course of your business at all Connecticut-licensed locations to ensure that you maintain adequate coverage.

Penal Sum Amounts for Mortgage Lenders and Correspondent Lenders

Minimum Bond: If the calculation yields a dollar amount between zero and less than thirty million dollars, the penal sum of the bond shall be: **one hundred thousand dollars (\$100,000)**;

If the calculation yields a dollar amount between thirty million dollars and less than one hundred million dollars, the penal sum of the bond shall be: **two hundred thousand dollars (\$200,000)**;

If the calculation yields a dollar amount between one hundred million dollars and less than two hundred fifty million dollars, the penal sum of the bond shall be: **three hundred thousand dollars (\$300,000)**;

If the calculation yields a dollar amount of two hundred fifty million dollars or more, the penal sum of the bond shall be: **five hundred thousand dollars (\$500,000)**.

Penal Sum Amounts for Mortgage Brokers

Minimum Bond: If the calculation yields a dollar amount between zero and less than thirty million dollars, the penal sum of the bond shall be: **fifty thousand dollars (\$50,000)**;

If the calculation yields a dollar amount between thirty million dollars and less than fifty million dollars, the penal sum of the bond shall be: **one hundred thousand dollars (\$100,000)**;

If the calculation yields a dollar amount of fifty million dollars or more, the penal sum of the bond shall be: **one hundred fifty thousand dollars (\$150,000)**.

Please sign and submit a copy of this instruction sheet to the Commissioner when filing the bond that complies with the July 31, 2010 requirement.

By: _____
Name: _____
Title: _____

Company Name: _____

NMLS Company Identifier: _____