



CONNECTICUT MORTGAGE SURETY BOND REQUIREMENTS

Surety Bond Coverage Charts

To annually confirm that the entity maintains its surety bond in the required penal sum:

Calculate the aggregate dollar amount of all residential mortgage loans originated at all Connecticut licensed locations or by the exempt registrant during the preceding four quarters ending June 30 (**July 1 to June 30**).

NOTE: The aggregate dollar amount of all residential mortgage loans originated includes the aggregate dollar amount of all closed residential mortgage loans originated, brokered or made, as applicable.

Refer to the applicable charts below to ascertain the required penal sum.

MORTGAGE LENDERS AND MORTGAGE CORRESPONDENT LENDERS

| <u>Dollar Amount of Origination Volume</u> | <u>Required Surety Bond Coverage Amount</u> |
|--|---|
| Less than \$30 million | \$100,000 |
| \$30 million but less than \$100 million | \$200,000 |
| \$100 million but less than \$250 million | \$300,000 |
| \$250 million or more | \$500,000 |

MORTGAGE BROKERS

| <u>Dollar Amount of Origination Volume</u> | <u>Required Surety Bond Coverage Amount</u> |
|--|---|
| Less than \$30 million | \$50,000 |
| \$30 million but less than \$50 million | \$100,000 |
| \$50 million or more | \$150,000 |

EXEMPT REGISTRANTS SPONSORING AND BONDING
MORTGAGE LOAN ORIGINATORS AND CLAIMING AN EXEMPTION
UNDER SUBDIVISION (1), (2), OR (3) OF SECTION 36a-487(a)¹

| <u>Dollar Amount of Origination Volume</u> | <u>Required Surety Bond Coverage Amount</u> |
|--|---|
| Less than \$30 million | \$100,000 |
| \$30 million but less than \$100 million | \$200,000 |
| \$100 million but less than \$250 million | \$300,000 |
| \$250 million or more | \$500,000 |

EXEMPT REGISTRANTS SPONSORING AND BONDING
MORTGAGE LOAN ORIGINATORS AND CLAIMING AN EXEMPTION
UNDER SUBSECTION (b) OR (c) OF SECTION 36a-487²

| <u>Dollar Amount of Origination Volume</u> | <u>Required Surety Bond Coverage Amount</u> |
|--|---|
| Less than \$30 million | \$50,000 |
| \$30 million but less than \$50 million | \$100,000 |
| \$50 million or more | \$150,000 |

¹Section 36a-487(a) of the Connecticut General Statutes exempts from licensing as a mortgage lender, mortgage correspondent lender or mortgage broker: ““(1) Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, provided such bank or credit union is federally insured; (2) any wholly-owned subsidiary of any such bank or credit union; [and] (3) any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same such bank or credit union”-.

²Subsections (b) and (c) of Section 36a-487 of the Connecticut General Statutes state:

“(b) The following are exempt from licensing as a mortgage lender or mortgage correspondent lender under sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b:

(1) Persons making five or fewer residential mortgage loans within any period of twelve consecutive months, provided nothing herein shall relieve such persons from complying with all applicable laws;

(2) Bona fide nonprofit organizations making residential mortgage loans that promote home ownership for the economically disadvantaged;

(3) Agencies of the federal government, or any state or municipal government, or any housing finance agency making residential mortgage loans under the specific authority of the laws of any state or the United States. For purposes of this subdivision, a “housing finance agency” means any authority:

(A) Chartered by a state to help meet the affordable housing needs of the residents of the state;
 (B) supervised directly or indirectly by the state government; (C) subject to audit and review by the state in which it operates; and (D) whose activities make it eligible to be a member of the National Council of State Housing Agencies;

(4) Persons owning real property who take back from the buyer of such property a secondary mortgage loan in lieu of any portion of the purchase price of the property;

(5) Any corporation or its affiliate that makes residential mortgage loans exclusively for the benefit of its employees or agents;

(6) Any corporation, licensed in accordance with section 38a-41, or its affiliate or subsidiary, that makes residential mortgage loans to promote home ownership in urban areas;

(7) Persons acting as fiduciaries with respect to any employee pension benefit plan qualified under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, who make residential mortgage loans solely to plan participants from plan assets; and

(8) Persons making secondary mortgage loans to immediate family members.

(c) A bona fide nonprofit organization shall be exempt from licensing as a mortgage broker under sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b to the extent that such bona fide nonprofit organization acts as a mortgage broker in connection with residential mortgage loans to be exclusively made by persons covered by the exemption set forth in either subdivision (5) or (6) of subsection (b) of this section.”