

**2200 Licensed Lenders**

**2204 Surety Bond or Irrevocable Letter of Credit**

5 Del.C. §2208

Effective Date: April 11, 2014

**1.0 Bond or Irrevocable Letter of Credit Required**

Each licensee shall file with the State Bank Commissioner (the "Commissioner") an original corporate surety bond or an irrevocable letter of credit, in a form satisfactory to the Commissioner, in accordance with 5 Del.C. §2208. The minimum amount of the surety bond or irrevocable letter of credit is based on the factors identified in that section.

**2.0 Amount of Bond or Irrevocable Letter of Credit**

2.1 Each licensee shall obtain a surety bond or irrevocable letter of credit in an amount that correlates with the licensee's volume of Delaware lending for the year ending December 31 that precedes the effective year of the license under 5 Del.C. Ch. 22. A licensee who obtains a surety bond that is effective for more than one year or an irrevocable letter of credit shall annually review the amount of the surety bond or irrevocable letter of credit as of December 31 of each year to ensure that the minimum required amount is maintained. The minimum required amount of the surety bond or irrevocable letter of credit shall be maintained according to the following table:

Annual Volume of Delaware Loans	Minimum Required Amount of Surety Bond or Irrevocable Letter of Credit
not more 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

2.2 The Commissioner may require a licensee to obtain a larger surety bond or irrevocable letter of credit based upon the licensee's individual circumstances.

**3.0 Bond for Mortgage Loan Originators**

3.1 A licensee may use its surety bond under 5 Del.C. Ch. 22 to cover mortgage loan originators licensed under 5 Del.C. Ch. 22 and who are its employees or exclusive agents if the bond conforms to all requirements of 5 Del.C. §2415 and §12.0 of Regulation 2401.

3.2 A licensee's irrevocable letter of credit may not be used to cover mortgage loan originators.

3.3 A licensee shall notify the Commissioner in writing of the names of the mortgage loan originators who are covered by its surety bond and of any change in such coverage for those originators.

**17 DE Reg. 994 (04/01/14)**