**Section 1050.490 Bonding Requirements**

a) In lieu of a paper surety bond, each licensee shall file and maintain an electronic surety bond in the NMLS in conformance with Section 3-1 of the Act. The amount of the bond shall be not less than $25,000 and in an amount according to the scale in subsection (b).

b) Each Mortgage Loan Originator must be covered by the electronic surety bond filed and maintained by his or her employing licensee pursuant to subsection (a). Registered exempt companies or entities shall file and maintain electronic surety bonds in the same manner as subsection (a) for the purpose of covering their Mortgage Loan Originator employees or sponsored individuals. Licensed mortgage brokers and mortgage bankers and exempt company or entity registrants must file and maintain an electronic surety bond that provides coverage for each sponsored Mortgage Loan Originator in an amount that reflects the dollar amount of Illinois mortgage loans applied for or originated by its Mortgage Loan Originators during the preceding calendar year. Exempt independent loan processing entity registrants must file and maintain an electronic surety bond in the same manner as subsection (a) that provides coverage for each sponsored Mortgage Loan Originator in the amount of $50,000. The surety bond amount will be set for each licensed mortgage broker and mortgage banker and registered exempt company or entity in accordance with the following scale, or, for exempt independent loan processing entity registrants, the $50,000, based upon Illinois residential mortgage loans brokered, processed, underwritten, funded, originated, serviced or purchased, as the case may be, during the preceding calendar year:

|  |  |
| --- | --- |
| **Loans** | **Bond Amount** |
|  |  |
| $0 - $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 |
| Over $100,000,000 | $150,000 |

The Director may require licensed mortgage brokers and mortgage bankers and registered exempt companies to file reports of Illinois mortgage loan volumes with the Director or NMLS for purposes of determining that the bond is in an amount that complies with the scale in this subsection (b). Based upon these reports, the Director may cause licensed mortgage brokers and mortgage bankers and registered exempt companies to adjust the amount of the bonds to an amount that complies with the scale in subsection (b).

c) Each electronic surety bond required pursuant to Section 3-1 of the Act and this Section shall be for a perpetual term.

(Source: Amended at 43 Ill. Reg. 5272, effective May 10, 2019)