

535B.9 Bonds required of license applicants.

1. An applicant for a license shall file with the administrator a bond furnished by a surety company authorized to do business in this state, together with evidence of whether the applicant is seeking to transact business as a mortgage broker, mortgage banker, or closing agent. Until such time as the superintendent pursuant to administrative rule determines a bond amount that reflects the dollar value of loans originated, the bond shall be in the amount of one hundred thousand dollars for applicants seeking to transact business as a mortgage broker or mortgage banker. For applicants seeking to transact business as a closing agent, the bond shall be in the amount of twenty-five thousand dollars, unless the administrator by rule establishes a higher bond amount. The bond shall be continuous in nature until canceled by the surety with not less than thirty days' notice in writing to the mortgage broker, mortgage banker, or closing agent and to the administrator indicating the surety's intention to cancel the bond on a specific date.

2. For applicants seeking to transact business as a mortgage broker or mortgage banker, the bond shall be for the use of the state and any persons who may have causes of action against the applicant. The bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter 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.

3. For applicants seeking to transact business as a closing agent, the bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state all moneys that become due or owing to the state from the applicant by virtue of this chapter.

4. In lieu of filing a bond, the applicant may pledge an alternative form of collateral acceptable to the administrator, if the alternative collateral provides protection to the state and any aggrieved person that is equivalent to that provided by a bond.

5. A licensee may not act as a closing agent unless the bond requirements in this section are in place at the time of a real estate closing.

88 Acts, ch 1146, §9; 89 Acts, ch 133, §8; 2005 Acts, ch 83, §7, 10; 2006 Acts, ch 1042, §20; 2008 Acts, ch 1160, §22; 2009 Acts, ch 61, §32, 39; 2010 Acts, ch 1111, §7, 13

[T] 2010 amendment to this section takes effect July 1, 2011; 2010 Acts, ch 1111, §13

[T] Section amended