

Bond No.

\$150,000.00

**MORTGAGE LENDER
SURETY BOND**

THIS SURETY BOND is given by

(Address),

City of _____, County of _____, and State of _____,

as Principal, and _____, as Surety, a corporation

organized under the laws of the State of _____, and licensed to transact a surety

business in the State of North Carolina, and whose address is shown below to the North Carolina Office of the Commissioner of Banks (the "Commissioner") under the following terms and conditions.

Principal and Surety are held and firmly bound unto the Commissioner for the use and benefit of claimants against the Principal in the sum of One Hundred Fifty Thousand Dollars (\$150,000), the payment of which Principal and Surety jointly and severally bind themselves, their successors, assigns, and legal representatives, to secure the faithful performance of the obligations of the Principal for its conduct and that of its officers, employees and agents under Article 19B of Chapter 53 of the North Carolina General Statutes, the Mortgage Licensing Act ("MLA") as it now exists or is later amended.

WHEREAS, Principal has applied for or has been granted licensure as mortgage lender under the MLA; and

WHEREAS, the MLA requires a mortgage lender to post and maintain a surety bond in the sum of One Hundred Fifty Thousand Dollars (\$150,000), or deposit cash or securities in an equivalent sum in lieu of a surety bond; and

WHEREAS, the Principal has elected to post a surety bond;

NOW, THEREFORE, the condition of the foregoing obligation is such that:

1. If the Principal faithfully performs all its obligations under the MLA with respect to acting as a mortgage lender, this obligation will be void; otherwise the same will remain in full force and effect.
2. The Surety may terminate its obligation under this surety bond by giving the Commissioner ninety (90) days written notice at the address shown below. Provided, however, such notice shall not affect any liability arising prior to the effective date of cancellation of this surety bond; and, the Principal and Surety shall be and remain liable for a period of five (5) years from the date of any action or inaction of Principal that gives rise to a claim under this bond prior to its effective cancellation, unless released in writing, in whole or in part, from such liability by the Commissioner.
3. In no event shall the aggregate liability of the Surety for any and all claims to one or more

claimants hereunder exceed the penal sum of the surety bond. Provided, however, that in the event that a claim is made and paid under this bond, the Surety shall promptly notify the Principal of the payment of such claim, and the Principal shall have thirty (30) days within which to obtain an endorsement from the Surety to reinstate the total coverage of the bond to its original penal sum.

4. Surety agrees by issuing this bond that it will report promptly (within ten (10) days) to the Commissioner any claims paid under this bond.

5. Surety agrees that should the Commissioner determine that the Principal has violated any provision of the MLA and issue an order instructing the Principal to pay certain monies to a claimant(s) by a date certain, Surety will, upon notice from the Commissioner that such amount has not been paid by Principal, promptly (within thirty (30) days) remit the payment as instructed by the Commissioner. Surety further agrees that should the Principal agree to pay certain monies to a claimant(s) by a date certain pursuant to a settlement agreement with the Office of the Commissioner of Banks, and the Commissioner issues an order approving such settlement and ordering such payment, then Surety will, upon notice from the Commissioner that such amount has not been paid by Principal, promptly (within thirty (30) days) remit the payment as instructed by the Commissioner.

6. This bond shall become effective _____, 20____, and shall continue in full force and effect until such time as the same is canceled as provided herein or as otherwise provided by law.

IN WITNESS WHEREOF, the Principal and Surety hereto have executed this surety bond this day _____, 20____.

Principal

Attest:

By: _____

Signature

Title:

Name:

Title:

Surety

Attest:

By: _____

Signature

Title:

Name:

Title:

Persons executing for the Surety, other than corporate officers, must attach a Power of Attorney authorizing such person to execute surety bonds for Surety.

Mailing Address of the Surety:

Mailing Address of the Commissioner of Banks:

Office of the Commissioner of Banks

4309 Mail Service Center

Raleigh, NC 27699-4309

Tel. No. ()

Telephone 919-733-3016

NAME, ADDRESS AND TELEPHONE NUMBER OF SURETY CONTACT IN THE EVENT A CLAIM MUST BE FILED.

Name:

Title:

Address:

(City, State and Zip Code)

E-mail:

Telephone Number:

Fax Number: