

286.8-060 Surety bonds required -- Uses of bonds -- New or supplemental bonds.

- (1) Except as otherwise provided in this section, each mortgage loan company, mortgage loan broker, and mortgage loan originator shall post or be covered by a surety bond for the entire licensure or registration period in an amount prescribed by the commissioner, but in no event shall the bond be less than two hundred fifty thousand dollars (\$250,000) for mortgage loan companies and fifty thousand dollars (\$50,000) for mortgage loan brokers.
- (2) Every bond shall provide for suit thereon by any person who has a cause of action under this subtitle. The total liability of the surety, to all persons, cumulative or otherwise, shall not exceed the amount specified in the bond.
- (3) The bond shall be in a form prescribed by the commissioner and shall be made payable to the commissioner. The terms of the bond shall provide that it may not be terminated without thirty (30) days prior written notice to the commissioner.
- (4) Every bond shall be available for the recovery of expenses, fines, restitution, and fees levied by the commissioner under this subtitle, and for losses or damages that have been incurred by any borrower or consumer as a result of the registrant's or licensee's failure to comply with the requirements of this subtitle.
- (5) Every bond shall provide that no suit shall be maintained to enforce any liability on the bond unless brought within three (3) years after the act upon which it is based.
- (6) If the commissioner or the commissioner's representative shall at any time reasonably determine that the bond or securities aforesaid are insecure, deficient in amount, or exhausted in whole or part, he may by written order require the filing of a new or supplemental bond or the deposit of new or additional securities in order to secure compliance with this subtitle, the order to be complied with within thirty (30) days following service thereof upon the registrant or licensee.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 771, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 104, sec. 9, effective June 25, 2009. -- Amended 2008 Ky. Acts ch. 175, sec. 21, effective April 24, 2008. -- Amended 2006 Ky. Acts ch. 218, sec. 4, effective July 12, 2006. -- Amended 1998 Ky. Acts ch. 197, sec. 6, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 377, sec. 4, effective July 15, 1994. -- Amended 1986 Ky. Acts ch. 461, sec. 7, effective July 15, 1986. -- Created 1980 Ky. Acts ch. 365, sec. 7, effective July 15, 1980.

Formerly codified as KRS 294.060.

Legislative Research Commission Note (7/12/2006). This section was amended in 2006 Ky. Acts ch. 218. In that same session, 2006 Ky. Acts ch. 247, sec. 38, required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286.