

IN THE MATTER OF:

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ARKANSAS FAIR MORTGAGE  
LENDING ACT, ARK. CODE ANN. §  
23-39-505(f)(1)

ARKANSAS SECURITIES DEPT.  
ORDER NO. C-054-09-OR01

**ORDER PRESCRIBING SURETY BOND  
REQUIREMENTS UNDER THE FAIR MORTGAGE LENDING ACT**

This Order sets surety bond requirements under the Fair Mortgage Lending Act (“Act”), Ark. Code Ann. §§ 23-39-501 through 23-39-518. The Arkansas Securities Commissioner (“Commissioner”) hereby finds, concludes, and orders:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Section 11 of Act 731 of 2009, as codified at Ark. Code Ann. § 23-39-505(f)(1), authorizes the Commissioner to prescribe by order the amount of the surety bond that shall be posted by mortgage brokers, mortgage bankers, and mortgage servicers licensed under the Act.
2. Section 11 of Act 731 of 2009 further provides that the amount of the surety bond prescribed by the Commissioner shall be based on the mortgage loan activity of the mortgage broker, mortgage banker, or mortgage servicer during the previous year and shall not be less than \$100,000.
3. This Order prescribing the surety bond requirements is in the public interest and is necessary to comply with provisions of Section 11 of Act 731 of 2009.

**ORDER**

4. The Commissioner hereby orders all mortgage broker, mortgage banker, mortgage servicer licensees and applicants to post a surety bond with the Commissioner in the appropriate amount as set forth below.

- a. If the aggregate amount of originated or funded mortgage loans which are secured by Arkansas residential real property was no more than \$5,000,000 during the prior calendar year, mortgage broker or mortgage banker licensees shall post a surety bond in the amount of \$100,000.
- b. If the aggregate amount of originated or funded mortgage loans which are secured by Arkansas residential real property was greater than \$5,000,000, but not more than \$10,000,000, during the prior calendar year, mortgage broker or mortgage banker licensees shall post a surety bond in the amount of \$125,000.
- c. If the aggregate amount of originated or funded mortgage loans which are secured by Arkansas residential real property was greater than \$10,000,000, but not more than \$25,000,000, during the prior calendar year, mortgage broker or mortgage banker licensees shall post a surety bond in the amount of \$150,000.
- d. If the aggregate amount of originated or funded mortgage loans which are secured by Arkansas residential real property was greater than \$25,000,000 during the prior calendar year, mortgage broker or mortgage banker licensees shall post a surety bond in the amount of \$200,000.
- e. If the aggregate amount of mortgage loans which are secured by Arkansas residential real property held in the mortgage servicer licensee's portfolio was no more than \$5,000,000 during the prior calendar year, mortgage servicer licensees shall post a surety bond in the amount of \$100,000.
- f. If the aggregate amount of mortgage loans which are secured by Arkansas residential real property held in the mortgage servicer licensee's portfolio was more than

\$5,000,000, but not more than \$10,000,000, during the prior calendar year, mortgage servicer licensees shall post a surety bond in the amount of \$125,000.

- g. If the aggregate amount of mortgage loans which are secured by Arkansas residential real property held in the mortgage servicer licensee's portfolio was more than \$10,000,000, but not more than \$25,000,000, during the prior calendar year, mortgage servicer licensees shall post a surety bond in the amount of \$150,000.
- h. If the aggregate amount of mortgage loans which are secured by Arkansas residential real property held in the mortgage servicer licensee's portfolio was more than \$25,000,000 during the prior calendar year, mortgage servicer licensees shall post a surety bond in the amount of \$200,000.
- i. A mortgage broker, mortgage banker, or mortgage servicer applicant that has no history of mortgage loan activity in Arkansas for the prior calendar year shall post a \$100,000 surety bond at the time of the application.
- j. The surety bond requirements contained in this Order shall be effective as if the date of this Order and shall remain in full force and effect until such time as they are amended or modified by statute, rule, or order.

IT IS SO ORDERED.



A. Heath Abshure  
Arkansas Securities Commissioner

July 31, 2009  
Date