Mortgage Loan Company Surety Bond
New Mexico Regulation and Licensing Department
Financial Institutions Division

Name of Principal		Bond Number
Address	City, State, Zip	County
Name of Surety		
Address		
State in which Surety is Organized		
Surety Bond Amount		Effective Date

MAKE IT KNOWN THAT, the Principal and Surety named above, who are authorized to engage in business in the State of New Mexico are indebted to the STATE OF NEW MEXICO in the form of a surety bond in the amount indicated above, for the payment of which, well and truly to be made, to the people of New Mexico pursuant to Section 58-21-7 NMSA, 1978.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above named Principal has applied or intends to apply for a license as an Mortgage Loan Company pursuant to Section 58-21-4 of the New Mexico Statutes and is required under the provisions of Section 58-21-7 NMSA, 1978 a bond conditioned as herein set forth:

NOW THEREFORE, the Principal, the Principal's agents and employees shall:

1) Obtain and maintain a license, from the Director to act as a Mortgage Loan Company as required by the Mortgage Loan Company Act (the Act).
2) Faithfully conform to and abide by the provisions of the Act.
3) Honestly and faithfully apply all funds received and perform all obligations required by the Act.
4) Pay to the State or to any person entitled thereto, all money that becomes due and owing to the State or to the person under the provisions of the Act and created by activities regulated pursuant to the Act by the Principal or the Principal's agent or employee.

THIS BOND shall remain in force until canceled by the Surety. The Surety may cancel the Bond only upon written notice by certified mail to the Principal and to the Director, in which case the Bond shall be deemed canceled upon the expiration of thirty (30) days from receipt by the Director of such written notice along with adequate proof of notice to the Principal. Cancellation shall not affect any liability incurred or accrued prior to the expiration of the thirty-day period and a claimant has six years within which to file a claim against the Bond.

ANY PERSON suffering loss or damages as a result of the Principal's failure to comply with its obligations under the Act, as described above, shall have the right to bring an action on this Bond.

AGGREGATE LIABILITY: Regardless of the number of claimants, the amount of the claims, or the number of years the bond remains in effect, the aggregate liability of the Surety on this bond shall be limited to the payment of the Surety Bond Amount as set forth above.

NOTICE: In the event that either the Principal and/or the Surety under this bond are served with notice of any action commenced or notice of intent to file an action or claim against said Principal or Surety under the bond, said Principal and Surety shall, respectively, and within ten (10) business days, give written notice of the filing of such action or of the intent to file an action or claim, as well as give written notice within ten (10) business days of the final disposition of such action or claim to, the following address:

Regulation and Licensing Department
Financial Institutions Division
2550 Cerrillos Rd., Third Floor / P.O. Box 25101
Santa Fe, New Mexico 87505

WARRANTIES: The Surety hereby represents and warrants that it is in full compliance with the provisions of the laws of the State of New Mexico.

NOTE:

1) If Principal is a corporation or limited liability company, a resolution of Board of Directors, or Managers of the Principal authorizing execution of the bond must be attached. (SAMPLE RESOLUTION ATTACHED.)
2) Valid power of attorney from the Surety must be attached.
3) When required to do so by the Director of the Financial Institutions Division of the State of New Mexico, the Principal must furnish the name and address of its resident agent that shall accept service of process on behalf of the Principal.

IN WITNESS WHEREOF, we have hereunto set our hands and seals as of the day and year first herein above written.

Name of Principal	
Signature	Title

Surety Name		Attorney in Fact	
Address	City	State	Zip Code
Signature			

RESOLUTION

Name	Title
Principal Name	State in Which Principal is Incorporated or Organized
Bond Amount	

RESOLVED, that the individual named above is hereby authorized and directed to deliver to the State of New Mexico for and on behalf of the corporation or limited liability company, a surety bond in the amount provided for above.

☐ IF BY CORPORATION USE THIS FORM

As secretary of the corporation, incorporated under the laws of the state named above, I hereby certify that the foregoing is a full, true and correct copy of a resolution of the board of directors of the corporation as required by law and the bylaws of the corporation.

IN WITNESS WHEREOF, I have set my hand as such secretary, and affixed the seal of the corporation (if any), as signed and dated below.

Secretary Signature	Date

☐ IF BY LIMITED LIABILITY COMPANY USE THIS FORM

As a member or manager of the limited liability company, organized under the laws of the state named above, I hereby certify that the foregoing is a full, true and correct copy of a resolution of the members or managers of the limited liability company duly and regularly adopted by the limited liability company as required by law and the articles of organization of the limited liability company.

IN WITNESS WHEROF, I have set my hand as such member or manager, and affixed the seal of the limited liability company (if any), as signed and dated below.

Member or Manager	Date

Calculation of Bond Amount

58-21-7. Surety bond. (2009)

A. Each mortgage loan company shall post and maintain with the director a corporate surety bond.

B. The penal sum of the surety bond shall be in an initial amount of fifty thousand dollars ($50,000). Upon renewal of the license, the penal sum of the surety bond shall be in an amount that reflects the total dollar amount of mortgage loans originated annually in New Mexico by the licensee, as follows:

(1) zero dollars ($0.00) to three million dollars ($3,000,000), a surety bond of fifty thousand dollars ($50,000);

(2) more than three million dollars ($3,000,000) and less than ten million dollars ($10,000,000), a surety bond of one hundred thousand dollars ($100,000); and

(3) ten million dollars ($10,000,000) or more, a surety bond of one hundred fifty thousand dollars ($150,000).

C. Every bond shall provide for suit thereon by any person who has a cause of action under the Mortgage Loan Company Act.

D. The bond shall be in substantially the form as the director prescribes.

E. When an action is commenced on a licensee's bond, the director may require the filing of a new bond.

F. Immediately upon recovery upon any action on a bond, the licensee shall file a new bond.

History: Laws 1983, ch. 86, § 7; 2009, ch. 122, § 31.