



Licenses Required to use Electronic Surety Bond (ESB) Tracking FAQs

System Functionality

Q: The process of initiating a new bond, including providing bond details (such as bond amount, license type, and jurisdiction) to a surety bond producer or surety company is completed outside of NMLS, correct? Is this also true of bond riders?

A: Yes, the initial process of providing bond specific information from the licensee to the surety entity and the process regarding changes to existing electronic bonds must be completed outside of NMLS. Once the terms are confirmed (and the licensee has granted authority) the surety entity can create the bond/bond rider in NMLS for electronic submission.

Q: Are there any fees in NMLS related to submitting bonds electronically?

A: No, there are no fees associated to submitting bonds electronically in NMLS.

Q: Is there a restriction to the number of electronic bonds that a licensee can have on NMLS per license, i.e. rather than increasing the bond amount on one bond will NMLS allow multiple bonds to be associated to one license?

A: NMLS ESB will not restrict the number of bonds per license.

Q: How will our current paper bonds be put into the system?

A: The paper bonds that currently exist will be replaced by “converted bonds.” What this means is that the surety entity will be responsible for creating electronic instances in NMLS of the current bond and will mark the bond as converted. This will inform the regulator that an electronic bond will be replacing the existing paper bond. You will sign it electronically and mark it ready for a regulator at the time of submission. No action should be taken regarding the paper versions that have been upload via the Company Form (MU1).

Q: As far as branches, there are some branch surety requirements that require an amendment to a company bond, such as raising the amount, will this apply to the ESB functionality?

A: Yes, NMLS ESB functionality accommodates changes in bond amount as required (per volume, business line, branches, etc).

Q: If an individual is designated as signatory but is unable to sign, can you recall the request and designate an alternate individual as signatory?

A: Yes, once a control person has been designated as signatory, you are able to change the individual through the company NMLS account by navigating to the Bonds Pending Action page and selecting the **Review** button. Then click the **Remove Signatory** button. This will then allow you to repeat the designation process of searching for an alternate control person.

Q: When a surrender request is submitted in NMLS for a state license that requires a Surety Bond, will the Surety Bond cancellation information that is required automatically populate before the surrender request can be submitted?

A: No, the System will not automate the surety bond cancellation for surrender requests at this time. Based on the jurisdiction and license type, the surrender checklist will inform you, the licensee, as to any requirements regarding the bond at the time of surrender. If the checklist allows for the bond to be

cancelled, then you will have to contact the surety entity directly to inform them that they will need to create a notice of cancellation in NMLS.

Future Enhancements

Q: Will bond conversion be a requirement for renewal in NMLS?

A: State agencies with a conversion deadline in 2016 may require this as a condition of the license renewal. Check the renewal checklists for additional details by license type.

Q: Will electronic surety bond renewals be handled through the NMLS?

A: At this time, all participating jurisdictions have chosen only company license types that do not require anything at renewals (such as continuation certificates). NMLS plans to continue development and eventually include features for electronic surety bond renewals. No target date for these enhancements has been provided at this time.

Q: Will the electronic surety bonds functionality include branch and individuals bonds?

A: At this time, only company bonds are transitioning to electronic bonds in the System. NMLS plans to continue development and eventually include branch and individuals bonds. . No target date for these enhancements has been provided at this time.

General Information

Q: Is there a list of surety companies and surety bond producers that are available in NMLS?

A: Yes, a list has been posted to the [Surety Industry](#) NMLS Resource Center page.

Q: Will there be training sessions available for the surety industry?

A: Yes, we have held multiple training sessions for the surety industry. If you intend to reach out to you surety entity, please direct them to the [Surety Industry](#) NMLS Resource Center page. To the right of the page, they will find a section dedicated to NMLS Training sessions.

Q: Will licensees need to make any changes to bond documentation that were uploaded in NMLS previously?

A: No changes should be made to any previously uploaded documentation related to surety bonds in NMLS.

Q: Will electronic surety bonds ever require more than one signature or a specific titled person to sign them? Currently, these scenarios exist with paper bonds.

A: At this time, the NMLS electronic surety bond process does not permit more than one signature on a bond. As we work to add more license types in the System, our goal is to work with regulators to streamline the bond form and simplify the process, which may mean that agencies will no longer require multiple signatures. As for who is required to sign the bond, agencies will be using their new application, transition checklists and conversion plans to specify specific titled persons they require to sign the bond. This is the case now and will continue as participation among jurisdictions increase so be sure to always confirm the applicable checklist to ensure the correct individual is designated within NMLS.