# North Carolina Office of the Commissioner of Banks Electronic Surety Bond Conversion Plan

**Who is required to convert their surety bond to NMLS?**

Electronic surety bonds (ESB) for the license/registration types will be available in NMLS starting **June 1, 2018**.Companies holding any of these license/registration types are *required* to convert their existing surety bond to NMLS via the submission of an ESB by **December 31, 2018**.

* Mortgage Lender **(excluding the separate bond required for reverse mortgage lenders)**
* Mortgage Broker
* Mortgage Servicer

**Has the agency surety bond form changed?**

The agency’s surety bond form has been changed minimally to allow for use through NMLS.

**Will this affect license renewal?**

Converting to an ESB is required before your license will be renewed.

The surety bond requirements remain the same and increases based upon the following tiered schedule:

|  |  |  |
| --- | --- | --- |
| **Volume at December 31** | **Lender or Servicer****Required Surety Bond Amount** | **Broker****Required Surety Bond Amount** |
| Up to $10,000,000 | Base Amount of $150,000 | Base Amount of $75,000 |
| $10,000,001 to $50,000,000 | $250,000 | $125,000 |
| More Than $50,000,000.00 | $500,000 | $250,000 |

***Surety bond amounts should be increased annually by May 31st, if applicable.***

# Electronic Surety Bond Conversion Process

**What should licensees/registrants do first?**

Current licensees/registrants must first grant authority to their surety bond producer in NMLS. Licensees/registrants must then contact their surety bond producer to prepare their electronic surety bond.

**How should the bond be prepared?**

The bond number on the electronic surety bond should be the same as the

number that appears on the original bond form that was submitted in hard copy.

The amount of the electronic surety bond must represent the current bond

obligation, including all riders issued since the original date of the bond.

**How do licensees/registrants finalize their electronic surety bond in NMLS?**

After the surety bond producer has prepared the bond in NMLS, a duly authorized officer of the licensee must attest to and submit the bond. The surety bond will then be managed entirely through NMLS.

**What resources are available to help with this conversion?**

***Electronic Surety Bond Training***

NMLS held a complimentary training session for state-licensed companies impacted by the ESB enhancements that became available in NMLS on September 10, 2016. The session, intended for Account Administrators (AAs), provides an overview of the ESB enhancements, including the bond creation and management process, a demonstration of the new functionality, and the resources available on the NMLS Resource Center.

[Click here](https://www.csbstraining.org/lms/index.php?r=course/deeplink&course_id=538&generated_by=12314&hash=38c33e8e4d215fb9694957fa3cb40f01ab27694c)  to log in to the LMS and access the recording.

***Electronic Surety Bond Guides***

Visit the [ESB for NMLS Licensees page](http://mortgage.nationwidelicensingsystem.org/Pages/ESBforNMLSLicensees.aspx) of the NMLS Resource Center for more information about the Electronic Surety Bond process.