

TO: Our Colorado Agents

RE: \$25,000.00 Colorado Mortgage Loan Originator Bond

Important Reminder

Last year, the state of Colorado enacted legislation requiring all Mortgage Loan Originators conducting business in the state of Colorado be licensed and bonded. A \$25,000 bond is required of individual Mortgage Loan Originators. This requirement replaces the prior license bond of \$25,000 for Colorado Mortgage Brokers, but we will continue to renew Broker bonds until advised to cancel by you or your client.

We are pleased to advise that we are a market for these \$25,000 bonds for qualified individual applicants whom you know and can recommend. To consider this bond, we need a signed and completed Form 10 or 10-E Application, each individual's social security number and residence address, your personal recommendation, an indication of the applicant's experience and an estimated financial net worth of the applicant. For an applicant with a marginal credit history, complete financial statements may be required.

Larger bonds of \$100,000 or \$200,000 are also required of companies employing originators. We will generally only consider writing these larger bonds with full cash collateral for financially qualified applicants. We will need complete business and personal financial statements to consider these larger bonds.

We are now charging a single flat rate of \$10.00 per \$1,000.00 for this bond, subject to a \$100.00 minimum premium.

It is important to note that the state of Colorado is still requiring a criminal background check prior to licensing any Mortgage Originators. It is our understanding that a set of fingerprints for a criminal history record check must be submitted to the Colorado Bureau of Investigation (CBI), taking up to three months to complete, prior to a Mortgage Originator submitting an application online to the state for their license.

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