



CHAPTER 53
ARTICLE 19B - THE SECURE AND FAIR ENFORCEMENT MORTGAGE LICENSING ACT

N.C.G.S. § 53-244.103.

Surety bond requirements.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 04:21 UTC	SOURCE FINGERPRINT e6a7cf8d7cf0789be11572b1 - cc15361f0952f6f82b9bf11d - 71c8ae5f3ed3654e
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§ 53-244.103(a) Except for mortgage loan originators employed by registrants, each mortgage loan originator shall be covered by a surety bond through employment with a mortgage lender or mortgage broker in accordance with this section. The surety bond shall provide coverage for each mortgage loan originator employed by the mortgage lender or mortgage broker in an amount as prescribed by subsection (b) of this section and shall be in a form prescribed by the Commissioner. The Commissioner may adopt rules with respect to the requirements for the surety bonds as needed to accomplish the purposes of the Article.

§ 53-244.103(a1) Repealed by Session Laws 2025-43, s. 1, effective October 1, 2025.

§ 53-244.103(b) Mortgage lenders, mortgage brokers, exclusive mortgage brokers, and mortgage servicers shall be required to post a surety bond with the Commissioner at application. The amount shall increase as follows based upon their residential mortgage loan origination and servicing volume in North Carolina in a 12-month period ending December 31:

Application, Origination, or Mortgage Broker	Mortgage Lender or
Servicing Volume	Mortgage Servicer
With application	\$75,000\$150,000
Between \$10,000,000.01 and \$125,000	\$250,000
	\$49,999,999.99

\$50,000,000 or more\$250,000\$500,000

- § 53-244.103(b1)** Any increased surety bond required by this section shall be filed with the Commissioner on or before May 31 immediately following the end of the 12-month December 31 period.
- § 53-244.103(c)** The surety bond shall be in a form satisfactory to the Commissioner and shall run to the State for the benefit of any claimants against the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer to secure the faithful performance of the obligations of the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer under this Article. The aggregate liability of the surety shall not exceed the principal sum of the bond. A party having a claim against the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer may bring suit directly on the surety bond, or the Commissioner may bring suit on behalf of any claimants, either in one action or in successive actions. Consumer claims shall be given priority in recovering from the bond. When an action is commenced on a bond, the Commissioner may require the filing of a new bond. In this case, the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer shall file a replacement bond in the required amount within 30 days. Immediately upon recovery on the bond, the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer shall file a new bond.
- § 53-244.103(d)** In the Commissioner's discretion and upon an annual written request of the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer, the Commissioner may waive the requirement of the bond if all of the following apply to the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer:
- (1) The licensee has been licensed by the Commissioner for at least three years.
 - (2) The licensee can demonstrate a net worth, according to the most recent audited statement of financial condition, at least four times the required bond amount, and the licensee certifies that its net worth will be maintained at or above this level at all times and agrees to notify the Commissioner and to secure an appropriate bond in the event the net worth falls below this level.
 - (3) The Commissioner believes the licensee has a satisfactory history of resolving complaints from consumers and responding to findings of investigations or examinations by the Commissioner.

- (4) The Commissioner has no reason to believe the licensee will be unable to resolve complaints, respond to examination or investigative findings, or fulfill financial obligations under this Article.

§ 53-244.103(e)

If the Commissioner has waived the bond requirement based on subsection (d) of this section, the Commissioner may summarily reinstate the bond requirement if the Commissioner has reason to believe that the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer no longer meets the standards in subsection (d) of this section. In this event, the mortgage lender, mortgage broker, exclusive mortgage broker, or mortgage servicer shall submit a bond, as required in subsection (b) of this section, within 30 days. Failure to submit a bond as directed by the Commissioner are grounds for summary suspension. (2009-374, s. 2; 2013-327, s. 7; 2015-293, s. 1; 2025-43, s. 1.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 53-244.103 (2026).

PINPOINT

N.C. Gen. Stat. § 53-244.103(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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