WEST VIRGINIA CODE: §31-17A-13

§31-17A-13. Surety bond required.

(a) Each mortgage loan originator must be covered by a surety bond in accordance with this section in favor of the state for the benefit of consumers or for a claim by the commissioner for an unpaid civil administrative penalty or unpaid examination invoice. If the mortgage loan originator is an employee or exclusive agent of a person subject to this article, article seventeen of this chapter, or article four, chapter forty-six-a of this code, the surety bond of that person may be used in lieu of the mortgage loan originator's individual surety bond requirement. Any person not subject to licensing as a mortgage lender or broker under article seventeen, chapter thirty-one of this code or article four, chapter forty-six-a of this code that employs a mortgage loan originator licensed under this article may elect to register with the Nationwide Mortgage Licensing System and Registry and provide a surety bond in the appropriate amount for the mortgage loan originator employed.

(1) The surety bond must provide coverage for each mortgage loan originator in an amount as prescribed in subsection (b) of this section.

(2) The surety bond shall be in a form as prescribed by the commissioner.

(3) The commissioner may promulgate rules with respect to the requirements for such surety bonds as are necessary to accomplish the purposes of this article.

(b) The penal sum of the surety bond shall be maintained in an amount as required by article seventeen of this chapter for licensed mortgage lenders and brokers or article four, chapter forty-six-a of this code for regulated consumer lenders.

(c) When an action is commenced on a licensee's bond or any bond covering the activities of a licensee under this article, the commissioner may require the filing of a new bond.

(d) Immediately upon recovery upon any action on a bond covering any licensee under this article, a new bond shall be filed.

(e) The commissioner may elect to reduce or waive the bond amounts imposed by this section for mortgage loan originators employed by bona fide nonprofit corporations or other bona fide nonprofit business entities, including community housing development organizations, or any agency or instrumentality of this state, federal, county or municipal government whose residential mortgage lending or brokering activities provide housing primarily to households or persons below the HUD-established median income for their area of residence if the commissioner determines that a reduction or waiver would not violate any applicable law. Any waiver of fees or other costs under this paragraph shall not be construed as a waiver of the duty to comply with all other provisions of this article.

WV Legislature