



## BOND CREATION AND MANAGEMENT SURETY BOND PRODUCER

This guide walks you through the process you must take to create and manage a bond in NMLS. The steps detailed review:

- [Create a New Bond](#)
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## Create a New Bond

1. Log in to NMLS.
2. From the Home screen, click the **Tasks** tab.
3. Within the Tasks tab, click **Surety Bond Management** either in the top menu bar or in the main description panel.
4. Click the **Create New Bond** button. This will display a list of all of the licensees who have granted you authority to create bonds on their behalf (see *Figure 1*).

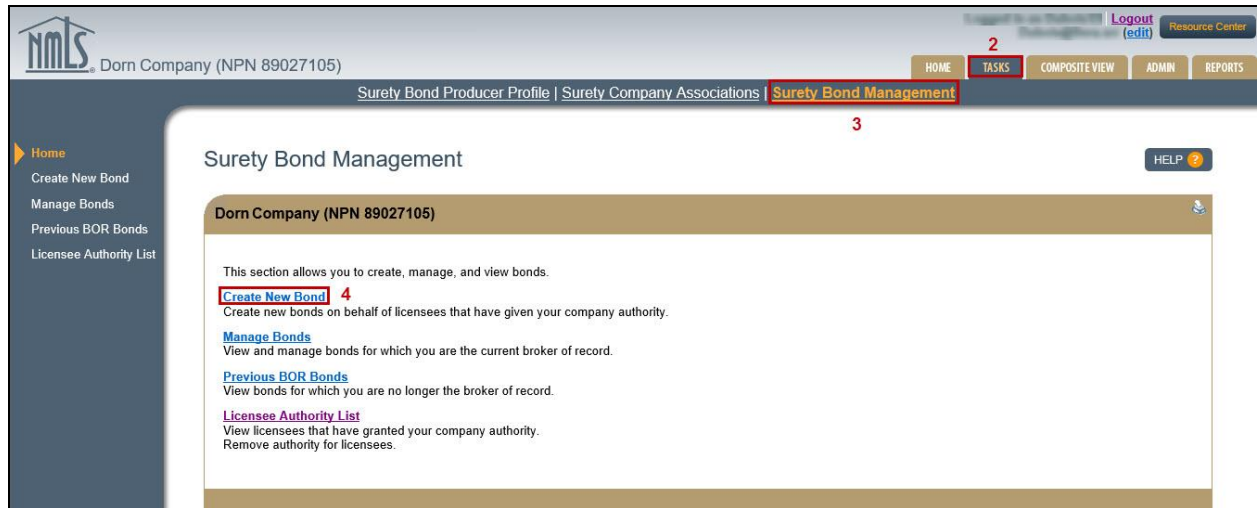


Figure 1: Surety Bond Management

5. Click the **Create Bond** button next to the licensee you will be creating a bond for.
6. Provide the requested information. Fields will automatically adjust based on requirements of the state and license type selected.

**NOTE:** When creating a bond in NMLS to replace an existing paper bond previously provided to the Regulator (obligee), known as a bond conversion, select the **Converted** radio button and provide the existing information. The effective date on the bond (if applicable) will be the date the bond is signed in NMLS by the surety entity.

**Create Bond**

Gantt Automation Company (NPN 83122473)

To create a bond, select the Licensing State and License Type first. Then complete the other fields that will adjust and display based on those selections.

**Bonds created must be associated to the licensee's company license in NMLS. Company license bond amount increases to cover branch locations are also permitted. However, if separate bonds must be issued for branch locations, such bonds must be created and maintained outside of NMLS at this time.**

To save and go to the *Create New Bond* page, click **Save**. To save and proceed to the *Signature* page, click **Save & Proceed**.

Bond Reporting Type: ☐ Converted ☒ New

Licensee: Kuykendall's Automation Company (1566187)

Licensing State:

License Type:

Surety/Underwriting Company:

Underwriter:

Start typing the first or last name of the underwriter; then select the name from the dropdown list that appears.

Bond Number:

Bond Amount (\$):

7

Figure 2: Create Bond

7. Click the **Save & Proceed** button (see Figure 2).
8. Review all information in the rendered bond. At the bottom of the page, check the box to attest, then click the **Sign** button (see Figure 3).

I, \_\_\_\_\_, **Attorney-in-Fact**, am employed by or am an officer or a control person of **Ultra Bond Producer** and am authorized to execute this Surety Bond on Surety Bond Company's or Producer's behalf.

☒ **On this date Wednesday, August 17, 2016, I verify that I am the person named above and that the bond provided to you herewith was validly issued and executed. I do solemnly swear or affirm under the penalties of perjury, or un-sworn falsification to authorities or similar provisions as provided by law that I have reviewed the foregoing statements.**

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Figure 3: Bond Attestation Language

## Create a Bond Rider

1. Log in to NMLS.
2. From the Home screen, click the **Tasks** tab.
3. Within the Tasks section, click **Surety Bond Management** either in the top menu bar or in the main description panel.

- Click the *Manage Bonds* link (see *Figure 4*).

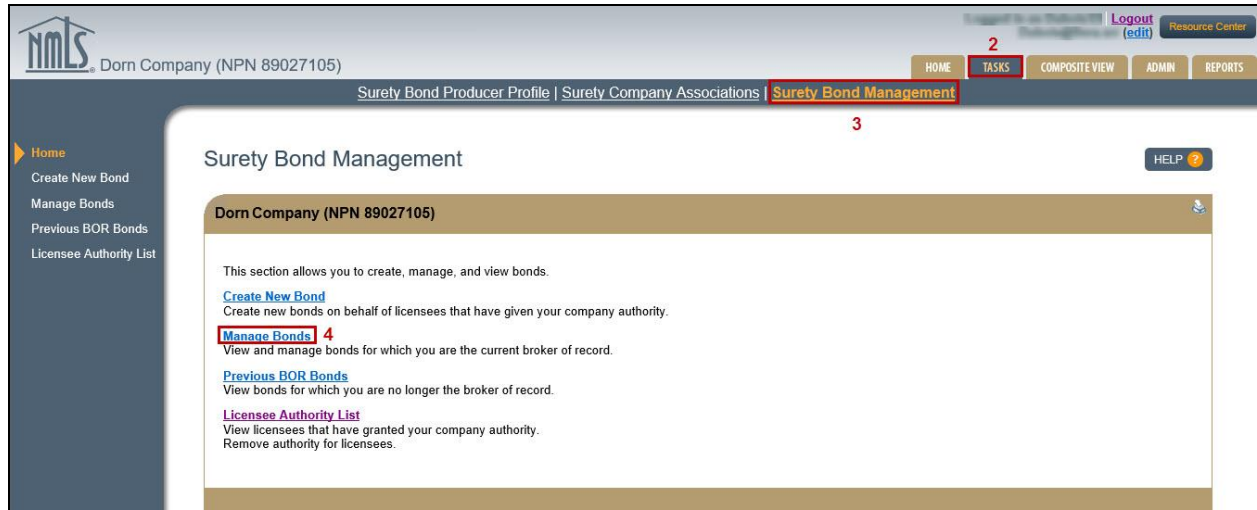


Figure 4: Manage Bonds

- Use the filtering options to find the relevant bond. Once you have located the bond you would like to update, click the **Manage** button next to it.
- Under the rendered bond, click the **Create Rider** button.
- Enter the Rider Effective Date by either typing it or using the drop down calendar.
- Select the field(s) that will be updated, and then click the **Next** button (see *Figure 5*).

Figure 5: Create Rider

- Enter the new value(s) in the field provided, then click the **Save & Proceed** button.
- Use the checkbox to attest, then click the **Sign** button to send the rider to the Licensee for approval.

## Remove Authority for Licensee

Surety Bond Producers can remove their authority for creating bonds on behalf of the licensee if there are no pending or active bonds. This includes bonds issued by the surety bond producer and bonds issued by the surety company with the surety bond producer identified as the broker of record (BOR).

1. Log in to NMLS.
2. From the Home screen, click the **Tasks** tab.
3. Within the Tasks section, click **Surety Bond Management** either in the top menu bar or in the main description panel.
4. Click **Licensee Authority List**.
5. Click the **Remove** button next to the name of the desired licensee (see *Figure 6*).

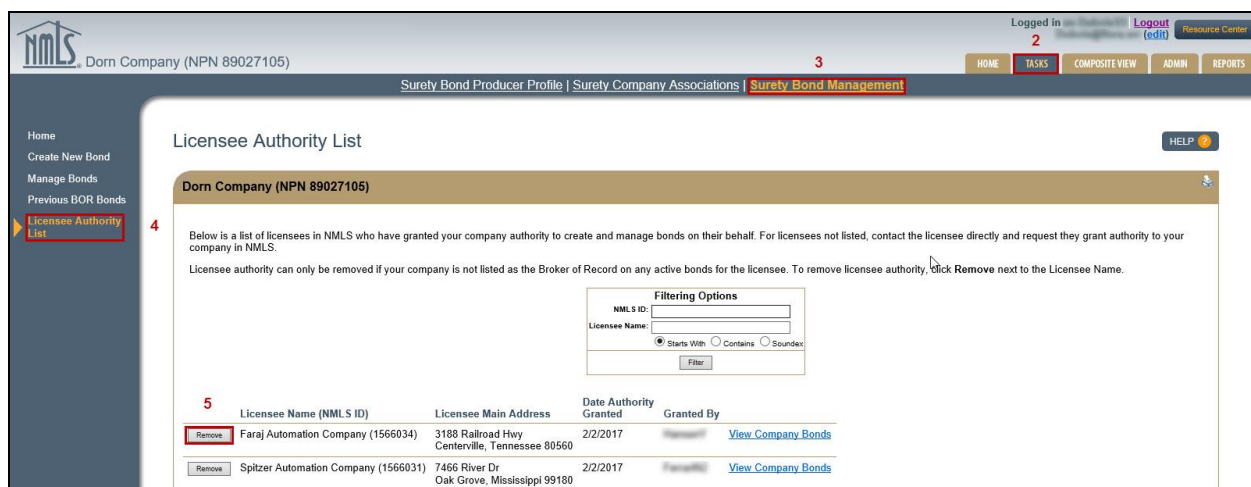


Figure 6: Remove Authority for Licensee

## Bond Management Tools

**Signatory Controls** - If a bond is created by a surety bond producer, the surety company/underwriting company listed on the bond will be able to sign or delete the bond while it is in the "Requires Rep Signature" or "Returned to Surety" status.

**Bond Versioning** - When a bond form version change is required by a regulator, all undelivered bonds will be required to be upgraded to the new bond form version. Regulators will also have the ability to require all delivered bonds to be revised to the new bond form version. If regulators choose to require existing bonds to be updated to the new bond form revision, surety entities will be notified generally six months in advance of this change.

If at a later date, it is required, a license item will be placed on all licenses with a bond that requires revision. If a license has 2 or more bonds requiring revision, the license item will not clear until all bonds have been revised or submitted for cancellation.

## Bond Upgrade due to Bond Form Revision

When a bond form upgrade is required by a regulator, a message will display at the top of the page when viewing the bond details for all bonds that have not been delivered to the regulator. This includes bonds that have been “Executed” but not Marked Ready and bonds in a “Returned to Surety” status.

1. Log in to NMLS.
2. From the Home screen, click the **Tasks** tab.
3. Within the Tasks section, click **Surety Bond Management** either in the top menu bar or in the main description panel.
4. Click **Manage Bonds** in the left navigation panel (see *Figure 7*).

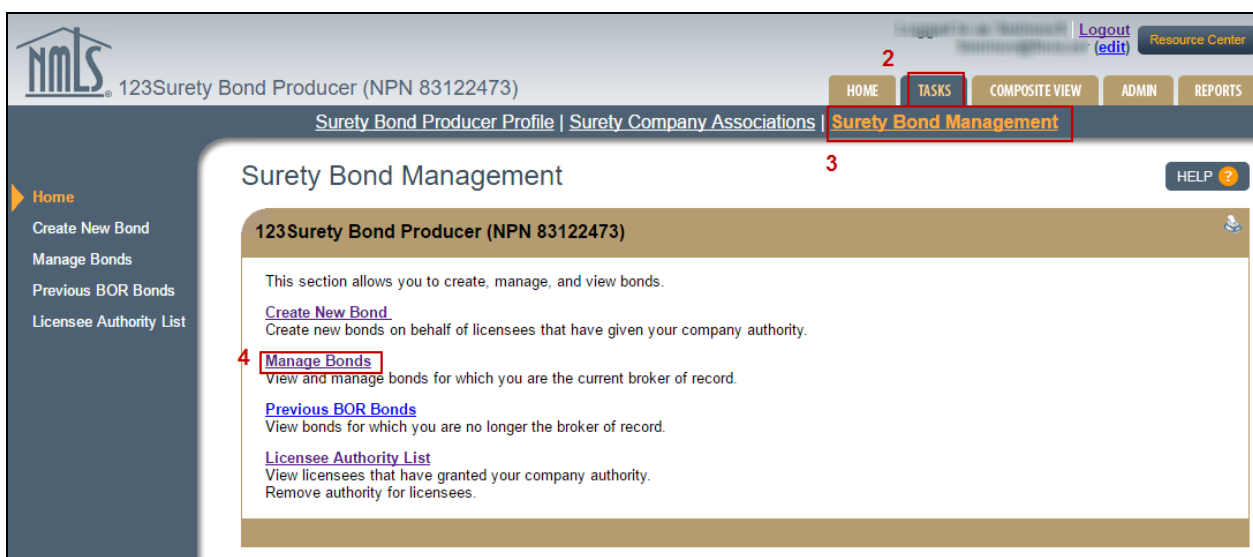


Figure 7: Surety Bond Management

5. Click the **Manage** button beside the bond requiring upgrade.

**NOTE:** Email notifications will be sent to both the surety company and the surety bond producer informing users of the bond upgrade requirement. The notification is defaulted to be sent to the account administrators but is also available for subscription by organization users.

6. A message will appear at the top of the Manage Bonds page alerting the user to the bond upgrade requirement. Click the **Continue** button to proceed with the upgrade (see *Figure 8*).

The screenshot shows the 'Manage Bond' interface for a '123Surety Bond Producer (NPN 83122473)'. A dark blue notification banner at the top contains an orange exclamation mark icon and text stating: 'A new bond form version exists for this license type. This bond will be upgraded to the new version. The upgraded bond must be signed by both parties. Click Continue to upgrade the bond or to delete the bond if it will not be upgraded. Click Return to List at the bottom of the page to return to the Manage Bonds page.' Below the banner, a red box highlights a '6' and a 'Continue' button. The main content area, titled 'Bond Details as of 2/13/2017', lists the following information: Licensee Name: Kuykendall's Automation Company (1566187), DBA: Not Applicable, License Type: Illinois Exempt Company Registration, Bond Number: SBP3-002, Bond Amount: \$100,000, Bond Effective Date: 2/13/2017, Bond Status: Returned to Surety (with a link to 'View Bond Status Transactions'), Converted Bond: No, Delivered to Regulator: No, and Cancellable: Yes. A note at the bottom states: 'Note: A bond form upgrade is required.'

*Figure 8: Bond Upgrade on Manage Bonds Page*

7. A message will appear confirming the bond has been upgraded to the latest bond form version. The bond is now ready to be re-signed and will follow the existing bond execution process (see *Figure 9*).

The screenshot shows the 'Sign Bond' interface for the same '123Surety Bond Producer (NPN 83122473)'. An orange notification banner at the top contains an information icon and text stating: 'This bond has now been updated to use the latest bond form version. You can now view the bond form and proceed accordingly.' Below the banner, instructions read: 'Review the bond information and rendered bond below. If the Licensee Name or Licensee Address is incorrect, the licensee must correct the information in their NMLS record. Click Edit to update other bond information. If all information is correct, you may attest and click Sign. If you do not wish to sign the bond, click the Return to List button to return to the Manage Bonds page.' The 'Bond Details as of 2/13/2017' section lists: Licensee Name: Kuykendall's Automation Company (1566187), DBA: Not Applicable, License Type: Illinois Exempt Company Registration, Bond Number: SBP3-002, Bond Amount: \$100,000, Bond Effective Date: 2/13/2017, and Bond Status: Requires Rep Signature (with a link to 'View Bond Status Transactions').

*Figure 9: Bond Upgrade Completion on Manage Bonds Page*

## Returned to Surety by Regulator

There are only seven accepted reasons for returning a *New/Original* bond (see *Table 1*). A *Converted* bond should be returned if any bond detail does not match the latest paper bond or rider.

<u>Return the Bond</u>	<u>Request a Rider</u>
Incorrect license type	Bond amount
Incorrect signatory	Bond effective date
Incorrect converted bond information	Bond number
Incorrectly listed underwriting surety company	Licensee name
Incorrect converted bond indicator	
Duplicate bond	
Unnecessary bond	

*Table 1: Return a Bond or Request a Rider*

The returned bond and any delivered riders are captured as a snapshot with a “Returned to Surety” watermark. In addition, the regulator must provide a note explaining in more detail why the bond was returned. Once a bond is returned, the surety can amend the bond and resubmit by completing the standard signing process, or may void the bond (see Bond Recreation below for more details).

Riders – All riders associated with the returned bond are automatically voided by the system. Delivered riders are captured in the returned bond snapshot, but pending riders are not. It is possible to incorporate rider changes into the resubmitted bond, but not required. Any changes made by rider but not incorporated into the resubmitted bond must be recreated via a new rider. If the returned bond is a converted bond with riders, the original effective date of the resubmitted converted bond is the surety signatory date. Paper riders may need to be completed before the bond is converted.

Bond Recreation – A returned bond can be amended and recreated by a surety entity without voiding it. The Surety Company user must have either the Manage Bonds, Manage Bonds and Sign Bonds, or Account Administrator role to recreate a returned bond. If the Surety Company voids the bond, it can be recreated by either the SC or the Surety Bond Producer.

Bond Voiding – Voiding a returned bond allows for the bond number to be reused. Surety Companies can void a returned bond, but Surety Bond Producers cannot. Instances of Voided bonds are viewable by both the Surety Company and Surety Bond Producer within their respective Manage Bonds lists. A new Bond Status, **Voided**, has been added to assist with accessing these bonds.

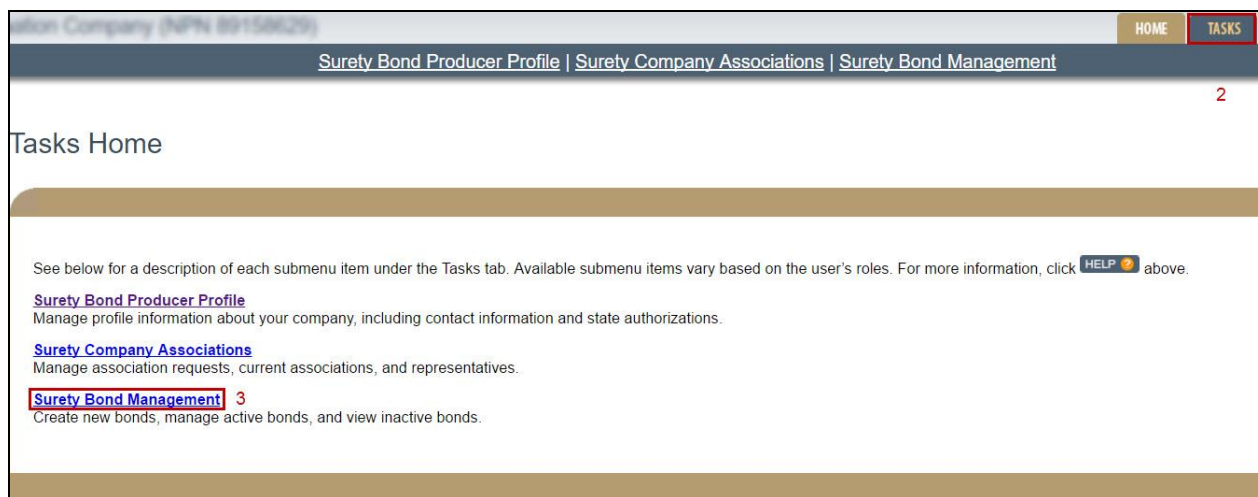


**Notifications** – If the Surety Company created the bond with no Surety Bond Producer, then only the Surety Company is notified when a bond is returned. If the Surety Bond Producer created the bond, both the Surety Bond Producer and the Surety Company receive notification.

**Surety Bond Transaction Report** – The report will capture the new bond transactions types, including Returned to Surety by the Regulator, Rider Voided (for riders voided by the system if associated bond is returned), and Voided (for returned bonds voided by the Surety Company).

### View a Returned Bond

1. Log in to NMLS.
2. From the Home screen, click the **Tasks** tab.
3. Within the Tasks tab, click **Surety Bond Management** either in the top menu bar or in the main description panel (see *Figure 10*).



*Figure 10: Surety Bond Management*

4. Click **Manage Bonds**.

- Use the *Returned to Surety* Bond Status filtering option to find the relevant bond. Once you have located the bond you would like to update, click the **Manage** button next to it (see *Figure 11*).

**NOTE:** The return reason and regulator note both appear on the *Manage Bond* page.

**Manage Bonds** HELP ?

Bastians Automation Company (NPN 87367642)

Below is a list of bonds you can manage. This list includes bonds in any status for which you are the current Broker of Record. To view or update a bond, click **Manage** to the left of the *Licensee*. Bonds in pending principal signature status cannot be updated.

**Filtering Options**

Bond Number:  Revision Type:

Licensee NML S ID:  - OR - Licensee Name:

☒ Starts With
 ☐ Contains
 ☐ Soundex

Creator:

☐ Only Include Bonds Requiring Action by My Company  
 Bond Status: ☐ Requires Rep Signature ☒ **Returned to Surety** ☐ Executed ☐ Cancelled  
☐ Pending Principal Signature ☐ Declined ☐ Notice of Cancellation ☐ Voids

Bond Form Update: ☐ Form Version Upgrade Required ☐ Revised Form Bond Required

Filter Clear

	Licensee	Surety/Underwriting Company	License Type	Bond Number	Bond Amount	Bond Effective Date	Status	Latest Revision Effective Date
5 <b>Manage</b>	Bastians Automation Company (1608248)	Auto Underwriting Surety Company (NPN 87367642)	Indiana-DFI Exempt Company Registration	1608248-001	\$100,000	8/1/2017	Returned to Surety	

*Figure 11: Manage Bonds Page*

- Click the *View Bond Status Transactions* link to view a list of transactions related to the bond.

- Click the *View Detail* link in the “Returned to Surety by Regulator” row to view a snapshot of the returned bond and any delivered riders voided by the system (see *Figure 12*).

**Bond Details as of 6/16/2017**

Licensee Name: *Shorewest Automation Company (1987630)*  
 DBA: Not Applicable  
 License Type: Vermont Money Transmitter  
 Bond Number: *VTMT-08-NC-02*  
 Bond Amount: \$100,000  
 Bond Effective Date:

**Bond Status:** Returned to Surety [Hide Bond Status Transactions](#)

Transaction	Transaction Date	Action Taken By	Action Taken On	Note	
Returned to Surety By Regulator	6/15/2017	Sam Sawyer Clark	6/15/2017	Something is incorrect.	<a href="#">View Detail</a>
Delivered to Regulator	6/2/2017	David Espada	6/2/2017		<a href="#">View Detail</a>
Signed by Licensee	6/2/2017	David Espada	6/2/2017		<a href="#">View Detail</a>
Signed by Surety	6/2/2017	Mary Kowalski	6/2/2017		<a href="#">View Detail</a>

Converted Bond: Yes  
 Delivered to Regulator: No  
 Cancellable: Yes  
 Return Reasons: Incorrect Converted Bond Details  
 Note: Something is incorrect.

*Figure 12: View Returned Bond Details*

## Recreate a Returned Bond

- Log in to NMLS.
- From the Home screen, click the **Tasks** tab.
- Within the Tasks tab, click **Surety Bond Management** either in the top menu bar or in the main description panel.
- Click **Manage Bonds**.
- Use the filtering options to find the relevant bond. Once you have located the bond you would like to update, click the **Manage** button next to it.

**NOTE:** The “Return Reasons” and “Note” fields will contain information about what corrections the Regulator expects.

- Click the **Edit** button at the bottom of the page.

- ## Edit Pending Bond
- Luckett Automation Company (NPN 89158629)
- To edit the bond, update the information provided in the fields below. After making updates, click **Save** to save and go to the **Main Page**. To delete the bond, click **Delete**.
- Bond Reporting Type:** ☒ Converted ☐ New

**Licensee:** Luckett Automation Company (NPN 89158629)

**Licensing State:** Vermont ▼

**License Type:** Vermont Money Transmitter ▼

**Surety/Underwriting Company:** Sure-Loss Underwriting Company, Inc. (NPN 00000) ▼

**Underwriter:** Start typing first OR last name...  
Start typing the first or last name of the underwriter, then select the name from the dropdown list that appears.

**Bond Number:** NPN 89158629

**Bond Amount (\$):** 100,000

**Note:** Something is incorrect.
- 7
- 7
- Save Save & Proceed Cancel

8. Use the checkbox to attest, then click the **Sign** button to send the bond to the Licensee for approval (see *Figure 14*).

I, Mary Kowalski, **Attorney-in-Fact**, am employed by or am an officer or a control person of Luckett Automation Company (NPN 89158628) and am authorized to execute this Surety Bond on Surety Bond Company's or Producer's behalf.

☒ **On this date Friday, June 16, 2017, I verify that I am the person named above and that the bond provided to you herewith was validly issued and executed. I do solemnly swear or affirm under the penalties of perjury, or un-sworn falsification to authorities or similar provisions as provided by law that I have reviewed the foregoing statements.**

8

[Sign](#) [Edit](#) [Save Bond to Pdf](#) [Return To List](#)

9. Once the Licensee signs the recreated bond and completes the Mark Ready process, the bond will be redelivered to the regulator.

## Revised Form Bond Requirement

At times, state agencies may need to update bond form language on existing bonds. When this occurs, the system facilitates the issuance of the new bond form version that needs to be signed by both parties. An email notification and a system generated license item alerts all impacted Surety Companies, Surety Bond Producers and Licensees when a Revised Form Bond is required.

1. Use the filtering options to identify bonds in which a Revised Form Bond is Required (see *Figure 15*).

The screenshot shows the NMLS Surety Bond Management interface. The top navigation bar includes 'HOME', 'TASKS', 'COMPOSITE VIEW', 'ADMIN', and 'REPORTS'. The left sidebar contains links for 'Home', 'Create New Bond or Report BOR', 'Manage Bonds' (highlighted), 'View BOR Changes', and 'Licensee Authority List'. The main content area is titled 'Manage Bonds' and includes a 'HELP ?' button. Below the title, a message states: 'Below is a list of bonds you can manage. To view or update a bond, click **Manage** to the left of the //licensee. Bonds in "Pending Principal Signature" status cannot be updated.' A 'Filtering Options' box contains various search criteria: Bond Number, Revision Type, Underwriting Company, Underwriter, Creator, Licensee NMLS ID, Licensee Name, Surety Bond Producer NPN, Bond Status (with options like 'Only Include Bonds Requiring Action by My Company', 'Requires Rep Signature', 'Returned to Surety', 'Executed', 'Cancelled', 'Pending Principal Signature', 'Declined', 'Notice of Cancellation', 'Voided'), and Bond Form Update (with 'Form Version Upgrade Required' and 'Revised Form Bond Required' checked). A red box highlights the 'Revised Form Bond Required' checkbox. Below the filter box are 'Filter' and 'Clear' buttons. At the bottom, a table header is visible with columns: Licensee, Surety/Underwriting Company, Broker of Record, Underwriter, License Type, Bond Number, Bond Amount, Effective Date, and Status.

*Figure15: Filter for Revised Form Bond*

2. Click the **Manage** button beside the applicable bond.

3. Click the **Issue Revised Form Bond** button to initiate the revision (see *Figure 16*).

**Manage Bond** HELP ?

**Liberty Mutual Insurance Company (NAIC 23043)**

**! A new bond form version exists for this license type. A revised form bond must be issued on the new version and signed by both parties. Click Issue Revised Form Bond at the bottom of the page to begin the process of issuing the revised form bond.**

Review and take action on the bond presented below. Available actions will vary based on: i) the bond status; ii) whether the bond has been delivered to the regulator; or iii) state-specific bond requirements.

POSSIBLE ACTION	DESCRIPTION
<b>Create Rider</b>	Create a rider to update bond information if the bond is in Executed status and has been delivered to the regulator.
<b>Submit Cancellation Notice</b>	Submit Notice of Cancellation for a bond in an Executed status (including all riders) if the license type allows the bond to be cancelled or the bond has not been delivered to the regulator.
<b>Rescind Cancellation</b>	Rescind Notice of Cancellation for a bond in Notice of Cancellation status if the Cancellation Effective Date has not elapsed.
<b>Reinstate Bond</b>	Reinstate a bond in a Cancelled status as of the Cancellation Effective Date.

**Original Bond**  
SURETY BOND  
LENDER

Bond Number: [REDACTED]  
Bond Amount: **\$50,000**  
Effective Date: **January 11, 2017**

WHEREAS application has been made to the Director of Business Regulation of the State of Rhode Island and Providence Plantations by:

[REDACTED]

Hereinafter referred to as "Licensee" or "Principal", to conduct, in the State of Rhode Island the business of a lender as provided for by Title 19, Chapters 14 and 14.1 of the General Laws of Rhode Island 1956, as amended.

WHEREAS said Principal is required to execute one bond payable to said State of Rhode Island in the penal sum of **Fifty Thousand Dollars (\$50,000)** from which it shall conduct the business provided for by Title 19, Chapters 14 and 14.1 of the General Laws of Rhode Island 1956, as amended, and file the same with the Director of Business Regulation.

**NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS**

That said Principal known as, [REDACTED], including any and all trade names, NMLS # [REDACTED], or as any future name by which said organization shall be known as principal, and [REDACTED] NAIC # [REDACTED] are held and firmly bound unto the State of Rhode Island and Providence Plantations, for the use of said State and of any

Bond Form Version: RI-1/23/2017

**Issue Revised Form Bond** **Create Rider** **Submit Cancellation Notice** **Save Bond to Pdf** **Return To List**

*Figure 16: Issue Revised Form Bond*

4. Review the *Term Acceptance Date* and then click the **Next** button (see *Figure 17*).

**NOTE:** The Term Acceptance Date must be on or after the original Bond Effective Date on the latest delivered revision and cannot be future dated.

**Create Revised Form Bond** HELP ?

**Liberty Mutual Insurance Company (NAIC 23043)**

To create the revised form bond, provide the Term Acceptance Date and click **Next**.

**Bond Number:** 017172806  
**Bond Effective Date:** 1/11/2017  
**Licensee:** Atlantic Bay Mortgage Group, L.L.C. (72043)  
**License Type:** Rhode Island Lender License  
**Surety/Underwriting Company:** The Ohio Casualty Insurance Company (NAIC 24074)  
**Term Acceptance Date:** 10/04/2017

**Next** **Return to List**

*Figure 17: Term Acceptance Date*

5. Click the **Save & Proceed** button to complete the attestation.
6. Proceed with the signing process by checking the attestation and clicking the **Sign** button. This delivers the bond to the licensee for their review and signature of the Revised Form Bond. When the Revised Form Bond is signed by both parties, the process is complete.

For further assistance, contact the NMLS Call Center  
at 1-855-NMLS-123 (1-855-665-7123).