

**INSTRUCTIONS FOR DEPOSIT OF CASH IN LIEU OF SURETY BOND**

DFPI-EL 321A (Rev. 10-20)



Reference: SECTION 17202.1 OF THE FINANCIAL CODE-DEPOSIT OF CASH IN LIEU OF SURETY BOND

Section 17202.1 of the Escrow Law allows the deposit by licensed escrow agents, or applicants for an escrow agent's license, with the Commissioner of cash, investment certificate of industrial loan companies, certificates of deposit, bank accounts or savings and loan share accounts in lieu of the surety bond required by Section 17202, Financial Code.

The procedures for establishing such deposit are as follows:

1. The Assignment to Commissioner of Financial Protection and Innovation pursuant to Financial Code 17202.1, Form EL 321, must be filed with the Department of Financial Protection and Innovation, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, CA 90013-1105.
2. Submission of the forms must be accompanied by two (2) copies of the board directors' resolution authorizing filing of the assignment.
3. The escrow agent or applicant will forward the investment certificates, certificates of deposit, or other appropriate evidence of deposit of bank accounts or savings and loan share to the Commissioner, together with six copies of Form EL 321, completed as to Part I and Part II thereof.
4. After completion of Part III by the Commissioner, a copy of the assignment will be sent to the escrow agent, or applicant, and a copy of the issuing industrial loan company, bank or savings and loan association.
5. The Commissioner is not given authority under the law to adjudicate any claim or controversy against a bond of an escrow agent or against a deposit of cash, investment certificates, certificates of deposit, bank accounts or savings and loan share accounts made in lieu of a bond. It will therefore be necessary for disputed claims to be adjudicated by a court of competent jurisdiction. Upon filing of suit and notice to the Commissioner, if deemed appropriate under the circumstances, the Commissioner will turn over all or part of the funds to the court by means of an interpleader or similar proceeding.
6. Cash, investment certificates, certificates of deposit, bank accounts of savings and loan share accounts deposited in lieu of a bond may be returned to the escrow agent two years after date of termination by the escrow agent of the deposit arrangement or two years after the termination of the escrow agent's license, if the escrow agent makes a showing satisfactory to the Commissioner that it has no outstanding liabilities or claims against it which, if valid, could be satisfied in whole or in part out of the deposit. In the event an escrow agent establishes a subsequent deposit in lieu of a bond in accordance with this section, the prior deposit may be returned to the escrow agent after obtaining the Commissioner's written consent.

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**DFPI's Privacy Notice on Collection**

**DFPI Collects and Uses Personal Information:** The DFPI collects the information requested on this form as authorized by the California Financial Code section 17202.1. The DFPI uses this information for an applicant or a licensee to comply with the surety bond requirements. Use of the personal information DFPI collects is subject to limitations contained in the Information Practices Act of 1977 and other applicable state and federal laws.

**Providing Personal Information Is Voluntary:** You do not have to provide the personal information requested. If you do not want to provide personal information, such as your name, home address or home telephone number, you may remain anonymous. However, we may not be able to contact you or help resolve your issue.

When providing information or documents, please do not include unrequested personal information such as a Social Security number, driver's license number, or financial information.

**DFPI May Disclose Your Personal Information:** We may share your personal information with other federal, state or local law enforcement agencies or a self-regulatory organization as authorized by law. Your personal information may also be disclosed:

- In response to a Public Records Act request, as allowed by the Information Practices Act.
- To another governmental agency as required by state or federal law.
- In response to a court order or administrative order, a subpoena or a search warrant.

**Your Access to Your Personal Information:** You may review the records maintained by DFPI that contain your personal information. To request access, contact: DFPI Privacy Officer, 2101 Arena Blvd, Sacramento, CA 95834, (866) 275-2677.