

STATE OF CALIFORNIA –DEPARTMENT OF BUSINESS OVERSIGHT  
**INSTRUCTIONS FOR DEPOSIT OF CASH IN LIEU OF SURETY BOND**  
DBO – EL321-A (Rev. 8-13)



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 Business Oversight pursuant to Financial Code 17202.1, Form EL 321, must be filed with the Department of Corporations, 320 West 4th 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.