

THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT
HEREBY ADOPTS THE FOLLOWING CHANGES
UNDER THE ESCROW LAW
AS SET FORTH IN CHAPTER 3, TITLE 10,
CALIFORNIA CODE OF REGULATIONS
EFFECTIVE: JANUARY 1, 2014

1. Add Section 1718.1 to read:

§ 1718.1. Form of Escrow Agent Surety Bond.

(a) The escrow agent surety bond required under Financial Code Section 17202 shall be filed upon the form set forth in subsection (c) of this section.

(b) The original surety bond must be filed with the Commissioner of Business Oversight and must include all of the following:

(1) The signature of the attorney-in-fact for the surety company;

(2) A notarial jurat for the attorney-in-fact;

(3) A power of attorney from the surety company;

(4) The legal name of the licensee. If applicable, business name(s) may also be included;

(5) The signature of the licensee; and

(6) The notarial jurat for the signature of the licensee.

(c) An escrow agent surety bond shall be submitted to the Commissioner of Business Oversight on the following form:

STATE OF CALIFORNIA

DEPARTMENT OF BUSINESS OVERSIGHT

DIVISION OF CORPORATIONS

BOND OF ESCROW LICENSEE

(Financial Code Section 17202)

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS:

That we _____, as Principal, whose address for service is _____,

(Street Address, City, State and Zip Code)

AND _____, a corporation, created, organized and existing under and by virtue of the laws of the State of _____

and an admitted surety insurer authorized to transact a general surety business in the State of California, as Surety, whose address for service

is _____,

(Street Address, City, State and Zip Code)

are held and firmly bound unto the Commissioner of Business Oversight of the State of California, as Obligee, for the use thereof and for the use of any person or persons who

may have a cause of action against the Principal under the provisions of the Escrow Law and all acts amendatory thereof and supplementary thereto now and hereafter

enacted, in the total aggregate penal sum of _____ Dollars

(\$ _____), (see Financial Code Section 17202) lawful money of the United States

of America, to be paid to the Commissioner of Business Oversight of the State of

California, or to any person or persons, for the use and benefit aforesaid, for which

payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that:

WHEREAS, The above-named Principal has made application to the Commissioner of Business Oversight of the State of California for a license to engage in business under and pursuant to the provisions of the Escrow Law, and is required under the provisions of the Escrow Law to furnish a bond in the sum above named, conditioned as herein set forth:

NOW, THEREFORE, The Principal, and any and all agents and employees representing the Principal, shall faithfully conform to and abide by the provisions of the Escrow Law and all acts amendatory thereof and supplementary thereto now and hereafter enacted, and of all rules and regulations lawfully made by the Commissioner of Business Oversight of the State of California under the Escrow Law and shall honestly and faithfully apply all funds received and perform all obligations and undertakings under the Escrow Law, and shall pay to the Commissioner of Business Oversight of the State of California and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due and owing to the State or to any such person or persons from the Principal under and by virtue of the provisions of the Escrow Law, including the costs in any conservatorship, or liquidation, whether such costs are incurred by the Commissioner of Business Oversight of the State of California or by a receiver.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond may, in addition to any other remedy that he or she may have, bring an action in his or her own name upon this bond for the recovery of any damages sustained by him or her; provided, however, that no such action may be brought after the expiration of two years from and after the act or default complained of.

2. That the total aggregate liability of the Surety or Sureties herein shall be limited to the payment of _____ (Dollars) (\$) _____) (insert the amount of the bond).

3. This bond may be cancelled by the Surety in accordance with the provisions of Sections 996.320 and 996.330 of the Code of Civil Procedure of the State of California. However, the bond shall not be cancelled, withdrawn or not renewed by the Surety in whole or in part until 30 days after written notice is received by the Commissioner of Business Oversight. At the same time, the Surety shall mail or deliver a copy of the notice of cancellation, withdrawal or non-renewal to the Escrow Agents' Fidelity Corporation. Failure to provide the Escrow Agents' Fidelity Corporation said notice shall not render cancellations ineffective. For purposes of this bond, a Surety shall send notice to both the Department of Business Oversight and the Escrow Agents' Fidelity Corporation 30 days prior to a bond cancellation that results from a court order for release or substitution of the bond or upon filing a request for such actions in court.

4. That, in the event either the Principal and/or the Surety under this bond are served with notice of any action commenced against the Principal or the Surety under the bond, the Principal and Surety as each is served with notice of action shall respectively and immediately give written notice of the filing of such action to the Commissioner of Business Oversight of the State of California, at the Los Angeles office of the Department of Business Oversight. At the same time, the Surety shall mail or deliver a copy of the notice of action to the Escrow Agents' Fidelity Corporation.

5. That, in the event the Surety under this bond receives a claim or makes full or partial payment on this bond the Surety shall immediately give written notice of such claim or full or partial payment to the Commissioner of Business Oversight of the State of California, at the Los Angeles office of the Department of Business Oversight. At the same time, the Surety shall mail or deliver a copy of the notice of a claim or payment to the Escrow Agents' Fidelity Corporation.

6. That the effective date of this bond shall be _____.

Signature of Principal

Type or Print Name of Principal

Executed at (City and State)

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in _____ on _____
(City and State) (Date)

Signature of Attorney-in-Fact for Surety

Print or type name of
Attorney-in-Fact for Surety

ALL OF THE ABOVE SIGNATURES MUST BE NOTARIZED

INSTRUCTIONS FOR COMPLETION OF SURETY BOND FORM

This form must be used to satisfy the surety bond requirement in Financial Code Section 17202.

The original surety bond must be filed and must include all of the following:

1. The signature of the attorney-in-fact for the surety company.

2. A notarial jurat for the attorney-in-fact.

3. A power of attorney from the surety company.

4. Legal name of the licensee. Business name(s), if applicable, may also be included.

5. The signature of the licensee.

6. The notarial jurat for the signature of the licensee.

Note: Authority cited: Section 17400, Financial Code. Reference: Sections 17201, 17202, 17203, 17205, 17206, 17336, 17423, 17601 and 17608, Financial Code; and Sections 996.320, 996.330, 996.410, 996.430, 996.460, and 996.470, Code of Civil Procedure.