DEPARTMENT OF FINANCIAL INSTITUTIONS
ORDER OF THE COMMISSIONER

WHEREAS, Congress passed and the President signed into law the Housing and Economic Recovery Act of 2008, and Title V of that Act contained the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 15 U.S.C. §§5101, *et seq.* (the "S.A.F.E. Act");

WHEREAS, the S.A.F.E. Act requires the registration of mortgage loan originators and processors with the National Mortgage Licensing System and Registry ("NMLSR") developed and maintained by the Conference of State Bank Supervisors ("CSBS") and the American Association of Residential Mortgage Regulators ("AARMR") and, among other things, sets forth certain educational and testing requirements for such individuals;

WHEREAS, the S.A.F.E. Act directed states to enact legislation to meet certain minimum requirements relating to the registration and supervision of mortgage loan originators and processors;

WHEREAS, for the purpose of complying with the requirements of the S.A.F.E. Act, the Kentucky General Assembly passed and the Governor signed into law HB 106 (the "Act") on March 27, 2009;

WHEREAS, pursuant to the Act, Kentucky Revised Statute ("KRS") 286.8-285 was amended to authorize the Executive Director (now Commissioner by virtue of the Governor's Executive Order 2009-535 dated June 12, 2009) to waive or modify, in whole or in part, by rule or by order, any or all of the requirements of Chapter 286.8, and to establish new requirements as reasonably necessary to carry out the purposes of the section;

WHEREAS, the Act became effective June 25, 2009; and

WHEREAS, the KRS requires mortgage loan originators to post or be covered by a surety bond for the entire licensure or registration period in an amount to be prescribed by the executive director (now Commissioner);

NOW, THEREFORE, the Commissioner, pursuant to KRS 286.6-285(1)(b), hereby **ORDERS** as follows:

KRS 286.8-060(1) is hereby modified as to require mortgage loan originators with an annual loan volume of less than ten million dollars ($10,000,000) to be covered by a surety bond of at least fifteen thousand dollars ($15,000). Mortgage loan originators with an annual loan volume of ten million dollars ($10,000,000) or greater shall be covered by a surety bond of at least twenty thousand dollars ($20,000).

It is so **ORDERED** as of the 18th day of December, 2009.

CHARLES A. VICE
COMMISSIONER