

12-914.

(a) With the application for a new or renewal license, the applicant or licensee shall file a surety bond or bond renewal certificate with the Commissioner as provided in this section.

(b) (1) A surety bond filed under this section shall run to the State for the benefit of any consumer who is injured by a violation of this subtitle or a regulation adopted under this subtitle committed by a licensee or an agent of a licensee, including an agent managing a trust account.

(2) The surety bond shall be:

(i) In an amount not less than \$10,000 and not more than ~~[\$350,000]~~ \$1,000,000, as set by the Commissioner;

(ii) Issued by a bonding, surety, or insurance company that is authorized to do business in the State; and

(iii) Conditioned so that the licensee and its agent shall comply with all State and federal laws and regulations governing the business of providing debt management services.

(3) The liability of a surety:

(i) Is not affected by the insolvency or bankruptcy of the licensee or its agent or by any misrepresentation, breach of warranty, failure to pay a premium, or other act or omission of the licensee or its agent; and

(ii) Continues as to all transactions of the licensee, and transactions of its agent on behalf of the licensee, for no longer than 2 years after the licensee ceases, for any reason, to be licensed.

(4) The Commissioner may allow the amount of the surety bond to be reduced if the amount of the licensee's outstanding debt management services liabilities in the State is reduced.

(5) In setting the amount of the surety bond, the Commissioner shall consider:

(i) The financial condition and business experience of the applicant or licensee and the agent of the applicant or licensee;

(ii) For an applicant, the projected monthly and annual volume of debt management services to be provided in the State;

(iii) For a licensee, the average monthly and annual volume of debt management services provided in the State during the previous 12-month period;

(iv) The potential loss to consumers who remit funds to the applicant or licensee if the applicant or licensee becomes financially impaired; and

(v) Any other factor the Commissioner considers appropriate.