§ 599-k. Required surety bond. 1. Each mortgage loan originator shall be covered by a surety bond in accordance with this section. In the event that the mortgage loan originator is an employee or exclusive agent of an originating entity, the surety bond of such person may be used to satisfy the mortgage loan originator's surety bond requirement; provided that such surety bond contains coverage for each mortgage loan originator not otherwise covered by a qualifying surety bond in an amount prescribed in subdivision two of this section. The surety bond shall be in a form prescribed by the superintendent. The superintendent may promulgate rules or regulations with respect to the requirements for such surety bonds as are necessary to accomplish the purposes of this article.

2. The penal amount of the required surety bond shall be maintained in an amount that reflects the dollar amount of loans originated by the mortgage loan originator as determined by the superintendent.

3. When an action is commenced on a licensee's bond, the superintendent may require the filing of a new or supplemental bond.

4. Immediately upon recovery upon any claim or action on or under the bond, the mortgage loan originator (or the originating entity as the case may be), shall file a new or supplemental bond restoring the face amount of the bond to the amount required by the superintendent.