

17-24-6. Bond Requirements. (a) Each mortgage company applicant for a new or renewal Kansas mortgage business act license shall submit a bond in the following amounts: (a) For any applicant who maintains a bona fide office, \$50,000.00 or, if the applicant or licensee originated or made more than \$50,000,000.00 in Kansas mortgage loans during the previous calendar year, \$75,000.00; or (b) for each applicant or licensee who does not maintain a bona fide office, \$100,000.00 or, if the applicant or licensee originated more than \$50,000,000.00 in Kansas mortgage loans during the previous calendar year, \$125,000.00. shall provide, and each licensee shall maintain, a minimum of a \$100,000 surety bond.

(b) The commissioner may determine that special circumstances require an applicant or licensee to provide and maintain a higher surety bond up to \$1,000,000. In determining whether a higher bond amount is necessary, the following factors shall be considered:

(1) Whether the applicant or licensee's business involves technology or methods that may require additional regulatory oversight;

(2) whether the applicant or licensee has been the subject of regulatory or disciplinary actions by the commissioner, any regulatory body of this state or any other state, or any federal regulatory body; and

(3) whether the applicant or licensee's structure, business activities, or operations possess elements of risk that may require additional regulatory oversight.

(c) Notwithstanding subsection (b), each licensee shall be required to maintain the minimum surety bond as of January 1 of each calendar year. (Authorized by K.S.A. 2008-2025 Supp. 9-2209, as amended by 2009 SB 240, § 9, and K.S.A. 2008 2025 Supp. 9-2211, as

**APPROVED**

NOV 25 2025

**DEPT. OF ADMINISTRATION**

APPROVED

JAN 15 2026

ATTORNEY GENERAL

amended by 2009 SB 240, § 10; implementing K.S.A. 2008-2025 Supp. 9-2211, as amended by  
2009 SB 240, § 10; effective Oct. 2, 2009; amended P-\_\_\_\_\_.)

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DIVISION OF THE BUDGET

2/18/26

# Kansas Administrative Regulations Economic Impact Statement (EIS)

Office of the State Bank Commissioner  
Agency

Brock Roehler  
Agency Contact

785-379-3892  
Contact Phone Number

17-24-6  
K.A.R. Number(s)

Permanent     Temporary

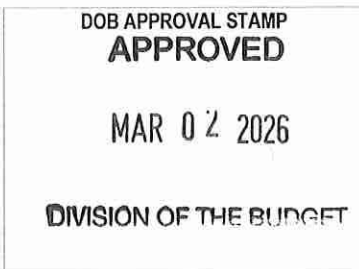
Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

No    If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million or more in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation over the initial five-year period following adoption of such rule(s) and regulation(s) (as calculated in Section III, F)?

Yes    If "Yes," then the agency shall not adopt the rule(s) and regulation(s) until the rule(s) and regulation(s) has been ratified by the Legislature with a bill, unless the proposed rule(s) and regulation(s) are: 1) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program, as described in K.S.A. 77-416(b)(1)(B), and amendments thereto; 2) temporary rule(s) and regulation(s) adopted pursuant to K.S.A. 77-722, and amendments thereto; or 3) rules and regulations adopted pursuant to K.S.A. 2-3710 (Kansas Agricultural Remediation Board). Continue to fill out the remaining EIS form to be included with the regulation packet in the review process to the Department of Administration and the Attorney General. The submitted EIS will be independently analyzed by the Division of the Budget for approval.

No    If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. The submitted EIS will be analyzed by the Division of the Budget for approval.



## Section I

Analysis, brief description, and cost and benefit quantification of the proposed rule(s) and regulation(s). If the approach chosen by the Kansas agency to address the policy issue is different from that utilized by agencies of contiguous states or of the federal government, the economic impact statement shall include an explanation of why the Kansas agency's rule and regulation differs.

K.A.R. 17-24-6 requires a surety bond for all mortgage companies doing business in Kansas. The Kansas Mortgage Business Act has already removed most of the preferential treatment for Kansas based mortgage companies, and this regulation will be updated to require the same surety bond no matter where the mortgage company is located. In addition, no current statute or regulation limits the amount of the surety bond, this regulation will limit the Commissioner to a \$1 million bond. New subsection (c) is designed to give in-state mortgage companies time to increase their surety bond as each company obtains a surety bond on a yearly basis.

Adjacent State requirements are different in each state. Our requirements are most similar to Nebraska. No state has language that states when a higher surety bond is required.

- Colorado does not look at volume, but rather it requires mortgage companies to have either a \$100,000 surety bond if less than 20 employees or \$200,000 if more than 20.
- Missouri requires three separate surety bonds for loans brokered, loans funded, and loans serviced in the last year, and the amount required varies based on volume. Loans brokered can have a surety bond from 50,000 to 250,000. Loans funded and loans serviced each require a surety bond from \$100,000 to \$500,000.
- Nebraska requires a surety bond between \$100,000 and \$200,000 based on volume.
- Oklahoma only requires a 100,000 surety bond, but also requires each loan originator to acquire a surety bond.

## Section II

Explain whether the proposed rule and regulation is mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program and whether the proposed rules and regulations exceed the requirements of applicable federal law.

The proposed rules and regulations are neither mandated by federal law nor is it a requirement for participation in any federally subsidized or assisted program.

## Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The proposed amendments will increase the surety bond for the 38 in-state mortgage companies and may result in a reduction in surety bond premiums for out-of-state mortgage companies that originate more than \$50 million in Kansas mortgage loans. Surety bond companies will charge a premium based on the size of the surety bonds.

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- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that will be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

According to Suretybonds.com, applicants with strong credit will pay a premium of 0.5–3% of the bond amount face amount. This means that the 38 Kansas based mortgage companies would likely pay an additional \$875 per year. However, most of the 492 out of state mortgage companies will likely see a decrease in surety bond premiums of up to \$437.50 each.

It is expected that the decrease in surety bond premiums for out of state mortgage companies will outweigh the increase in surety bond premiums for in-state mortgage companies. Even if just 77 out of state mortgage companies experience savings, this will outweigh the increase from in state mortgage companies and result in savings.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);  
Surety bond providers will see a reduction in revenue, mortgage companies will pay lower premiums.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;  
Mortgage companies will have a more streamlined regulation discussing what their surety bond must be.

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

The cost of a surety bond is usually considered a sunk cost and does not result in increased business development.

- F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or individuals. *Note: Do not account for any actual or estimated cost savings that may be realized. Implementation and compliance costs determined shall be those additional costs reasonably expected to be incurred and shall be separately identified for the affected businesses, local governmental units, and individuals.*



Costs to Affected Businesses – \$0  
Costs to Local Governmental Units – \$0  
Costs to Individuals – \$0  
**Total Annual Costs – \$0**  
(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

[Click here to enter agency response.](#)

- Yes     If the total implementation and compliance costs exceed \$1.0 million or more in implementation and compliance costs over the initial five-year period following adoption of such rule(s) and regulation(s) that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation, did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.
- No
- Not Applicable

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

\$0. The OSBC does not collect any surety bond premiums. It is expected that moving to one surety bond requirement will require less time checking for compliance with this issue and will allow state employees to focus on other issues. However, the reduction is not expected to reduce the number of employees.

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

Ongoing cost will apply for future years

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

Revenues of cities, counties or school districts will not be affected.



- H. Describe how the agency consulted and solicited information from businesses, business associations, local governmental units, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s) or may provide relevant information.

For this round of regulation review, we requested comments from Rocket Mortgage, OneMain Financial, and Mortgage Bankers Association. No objections or concerns were noted. No local government unit, state agency, or institution was consulted.

#### Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- Yes If yes, complete the remainder of Section IV.  
 No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the individuals or entities who would bear the costs.

Click here to enter agency response.

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other individuals who will bear the costs.

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- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, the individuals or entities who will bear the costs and who will be affected by the failure to adopt the rule(s) and regulation(s).

Click here to enter agency response.

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

Click here to enter agency response.

