

75-6-31. Bond Requirements. (a) Each supervised lender applicant for a supervised loan license shall provide, and each licensee shall submit a bond maintain a surety bond of in the following amounts:

(1) ~~For any applicant who engages in or intends to engage in making loans secured by an interest in real property or contracts for deed, \$250,000.00 for the first licensed place of business, plus an additional \$25,000.00 for each additional licensed place of business or, if the applicant made more than \$50,000,000.00 in such loans in Kansas during the previous calendar year, \$300,000.00; or~~

~~(2) for all other applicants, \$100,000.00 for the first licensed place of business, plus an additional \$25,000.00 for each additional licensed place of business.~~

(b) The total bond requirement for each applicant shall not exceed \$300,000.00, unless the administrator determines, ~~after consideration of the factors specified in subsection (c), that special circumstances require a higher~~ surety bond amount in order to adequately protect Kansas consumers for an applicant or licensee up to \$1,000,000.

(c) In determining whether a higher bond amount is necessary, the following factors shall be considered ~~by the administrator:~~

(1) Whether the applicant or licensee's business ~~proposed to be conducted by the applicant~~ involves technology or methods that may require additional regulatory oversight ~~by the administrator;~~

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

(3) whether the ~~applicant's~~ applicant or licensee's structure, business activities, or operations possess elements of risk that may require additional regulatory oversight ~~by the administrator.~~ (Authorized by K.S.A. 2025 Supp. 16a-2-302(1)(a), ~~as amended by 2009 SB 240, § 17, and K.S.A. 2025 Supp. 16a-6-104, as amended by 2009 SB 240, § 21; implementing K.S.A. 2025 Supp. 16a-2-302(2), as amended by 2009 SB 240, § 17; effective July 14, 2000; amended Jan. 6, 2006; amended Oct. 2, 2009; amended P-~~_____.)

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DIVISION OF THE BUDGET

Kansas Administrative Regulations Economic Impact Statement (EIS)

Office of the State Bank Commissioner
Agency

Brock Roehler
Agency Contact

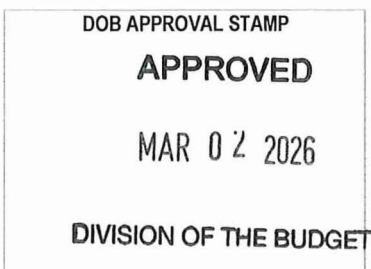
785-379-3892
Contact Phone Number

75-6-31
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. 75-6-31 requires a surety bond for all supervised lenders doing business in Kansas. The language discussing real property and contracts for deed were removed since those statutes moved to the Kansas Mortgage Business Act. This regulation also limits the Administrator to increases in the surety bond up to 1 million. Currently, there is no statutory or regulatory limit to the surety bond.

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 has a volume-based surety bond up to \$25,000.
- Missouri has a surety bond requirement of \$1,000.
- Nebraska requires a surety bond of \$50,000.
- Oklahoma requires a surety bond of \$50,000.

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 only limit the Administrator to setting a higher bond up to \$1,000,000. The Administrator has never set a surety bond higher than 1 million, so no expected impact.

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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;
No economic effect
- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);
Supervised lenders
- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;
N/A.
- 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;
N/A.

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
 - No
 - Not Applicable
- 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.



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.

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.

Supervised lenders already have an ongoing cost to obtain a surety bond, so no general cost to the public.

- 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

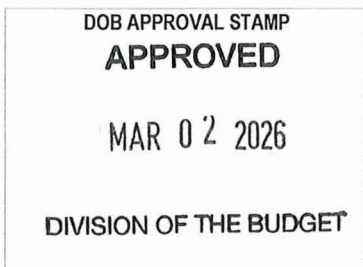
Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

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.

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

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.](#)

