

## APPLICATION REQUIREMENTS FOR LICENSURE UNDER THE LOUISIANA BOND FOR DEED CONTRACT LAW

Pursuant to LSR-R.S. 6:414(B) as added by Act 1993, No. 932, states in part, (“no person other than a financial institution or other person subject to the general supervision or regulations of the Commissioner pursuant to Title 6 or Title 9 of the Louisiana Revised Statutes of 1950 shall engage in business as a bond for deed escrow agent on or after November 1, 1993, unless such person has first obtained a license pursuant to regulations issued by the Commissioner...”) This law also states the Commissioner shall promulgate such rules and regulations as deemed necessary to implement this provision.

The Office of the Commissioner has promulgated a rule designated as LAC 10:XV. Chapter 9 Sections 901 et seq. regarding bond for deed escrow agents. A copy of this rule and LSA-R.S. 6:414 (B) are enclosed with this application for licensure as a bond for deed escrow agent.

### All of the following information must be submitted before this application will be accepted for filing and processing:

- A check or money order payable to the Office of Financial Institutions in the amount of \$150. This fee is nonrefundable.
- Attach a list of additional locations where the applicant intends to operate as a bond for deed escrow agent. Include complete physical/municipal address, phone number, and name of manager.
- Completed, signed, and notarized Uniform Application
- Two (2) Original Fingerprint Cards (including fingerprints, printed name, signature, social security number, and date of birth) and \$38.00 background processing fee. (Note: See Fingerprint Card Information form for instructions)
- Louisiana Police Bureau Criminal Identification and Information Form must be completed. Louisiana State Police will not process incomplete forms. Incomplete forms will be returned. (See Fingerprint Card instructions.)
- The applicant’s current financial statement reflecting a minimum maintainable net worth of \$25,000 and signed by an authorized person.
- A Surety Bond [**Attachment H**] with an initial amount of at least \$10,000, or a minimum \$10,000 irrevocable letter of credit evidenced by an Irrevocable Letter of Credit Agreement [**Attachment E**]; an unencumbered escrow account with an initial amount of \$10,000 [**Attachment J**] or a \$10,000 cash deposit in a federally insured financial institution or branch thereof located in Louisiana with the account pledged to the Commissioner and a properly executed irrevocable power of attorney. [**Attachment G**]
- Evidence of escrow deposit accounts, evidenced by a Registration Statement of Financial Institution Escrow Deposit Accounts **Attachment [I]**
- Completed, signed, Authority to Obtain Information – Financial Institutions Accounts Form **Attachment [K]**

The Commissioner may, as he deems necessary, conduct examinations to determine that rules, regulations, and statutes are being followed.

For questions regarding this application please contact the Non-Depository Division Licensing Department: 225-925-4660 or [ofilicensing@ofi.la.gov](mailto:ofilicensing@ofi.la.gov) or Fax: (225) 922-2860.

### Applications may be mailed or hand delivered to:

**Office of Financial Institutions  
8660 United Plaza Boulevard – 2<sup>nd</sup> Floor  
Baton Rouge, LA 70809**

**Office of Financial Institutions  
P. O. Box 94095  
Baton Rouge, LA 70804-9095**

**This application will not be considered complete until this Office receives all fees and required information. Failure to provide all required information could increase the processing time of the application. Please complete and fill in each blank space.**

- No. 1 Full legal name of entity. The only instance in which the "applicant" may be a natural person is if the applicant is a sole proprietorship. Otherwise, the "applicant" is a separate legal entity that will be conducting business. The name inserted on this line must be **identical** to the name filed with the Secretary of State from the state in which you are applying.
- No. 2 If applicant operates under a trade or assumed name, the name inserted on this line must be **identical** to the name that appears on the certificate of registration filed with the proper state authority in which the applicant is applying (Inc's and LLC's register trade name with Secretary of State, Sole Proprietor's register assumed name with Clerk of Court) (In the city of New Orleans file with the register of conveyance).
- No. 3 Street address of the office location that will appear on the face of the license. (For Consumer Lender licenses this is the location at which loans will be made.)
- No. 4 The mailing address of the applicant if different from No. 3. If the mailing address of the applicant is the same as No. 3, answer N/A.
- No. 5 Main office phone number, fax number, web site and/or e-mail address.
- No. 6 Check the type of organization. Attach copies of Certificate of Authority, Articles of Incorporation or Organization, Partnership Agreement and Bylaws, whichever is applicable.
- No. 7 Insert the state in which the applicant was originally registered and date that the applicant was incorporated, organized, or formed.
- No. 8 Out-of-state applicants must submit documentation evidencing that your company/entity is authorized to do business in the state in which you are applying. (Registration Certificate from the proper authority such as the Secretary of State)
- No. 9 Please note: In order to maintain records detailed in the Records Retention Schedule at a different location than the physical address of the licensed location, it is necessary to submit a written request and be granted a variance to our Records Retention Schedule. If this address differs from the address listed in #3, this office will still assume all records listed in the Records Retention Schedule will be available at the licensed location.
- No. 10 Self-explanatory
- No. 11 Complete name, address, and phone number of the Registered Agent for Service of Process. (Sole Proprietor's answer N/A) Registered Agent must be a person located in the state in which you are applying. The name and the address must match what was filed with the Louisiana Secretary of State.
- No. 12 Self-explanatory
- No. 13 Self-explanatory
- No. 14 Self-explanatory
- No. 15 List any other states in which the applicant/registrant is conducting or has conducted a similar type of business.
- No. 16 List the name, title, complete address, and percentage of ownership of each director, manager, member, partner, sole proprietor, all 10% or greater equity owners and officers (CEO, CFO, COO, President, EVP, Secretary, Treasurer, or individuals of similar status or function). Additional sheets may be copied and attached, if necessary. For purposes of this application, "equity owners" includes stockholders, members, or general member if LLC, partners, or limited partners that own equity in the business seeking licensure. If applicant is a subsidiary, list requested information for parent company and all individuals having 10% or greater of the parent.
- No. 17 Self-explanatory
- No. 18 Information concerning the parent company if the applicant is a subsidiary and an organizational chart.
- No. 19 Self-explanatory
- No. 20 Self-explanatory

**UNIFORM APPLICATION  
FOR LICENSURE/REGISTRATION**

**TYPE OF LICENSE APPLIED  
FOR:  
BOND FOR DEED**

1.	Full legal name of applicant ( <i>attach secretary of state certificate from the state in which you are applying</i> ):			
2.	Trade name, d/b/a, or assumed name of applicant, if applicable: ( <i>attach registration documentation/certificate</i> )			Fed. Tax I.D.#:
3.	Principal office street address:			
	City:	State:	Zip Code:	Parish:
4.	Mailing address (street or post office box):			
	City:	State:	Zip Code:	
5.	Business phone number:		Business fax number:	
	E-mail address:		Web site: www.	
6.	Type Of Organization:			
	<input type="checkbox"/> Corporation  <input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Sole Proprietorship  <input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Other (Explain)	
7.	State/Commonwealth of Incorporation:		Date of Incorporation/Organization:	
8.	If a foreign corporation or other type of legal entity, state the date that the entity filed with the proper state authority in which the applicant is applying (e.g. secretary of state) if so required:			
9.	Physical address of location at which the official books and records of the applicant are kept:			
	City:	State:	Zip Code:	Phone No:
10.	Does applicant engage in <u>any activity</u> through electronic or automated mediums, such as the internet? ( ) If yes, attach description of activity and web site address  ( ) No			
11.	Registered agent for service of legal process: <b>This should be the same as filed with the Louisiana Secretary of State.</b>			
	Name:			
	Address:			
	City:	State:	Zip:	Phone Number:
12.	Person authorized to answer questions pertaining to this application:			
	Name:			
	Address:			
	City:	State:	Zip Code:	Phone No:
	E-Mail Address:		Fax No:	
13.	Person authorized to answer regulatory compliance issues:			

	Name:				
	Address:				
	City:	State:	Zip Code:	Phone No:	
	E-Mail Address:		Fax No:		
14.	Person authorized to answer consumer complaints:				
	Name:				
	Address:				
	City:	State:	Zip Code:	Phone No:	
	E-Mail Address:		Fax No:		
15.	List all states in which applicant is conducting or has conducted business related to this application: <i>(attach list if necessary)</i>				
	State or states in which business is/was conducted	Type of business conducted	Names under which applicant <u>is</u> or <u>has</u> operated	Original license date	Active or Inactive
16.	List all principal officers and title held, directors, partners, and members. <i>(attach addendum if necessary)</i>				
	Name & Title	Principal Office Address		% Ownership	
	Name & Title	Principal Office Address		% Ownership	
	Name & Title	Principal Office Address		% Ownership	
	Name & Title	Principal Office Address		% Ownership	
	Name & Title	Principal Office Address		% Ownership	
	List all persons that have a 10% or greater equity interest not listed above.				
	Name	Principal Office Address		% Ownership	
	Name	Principal Office Address		% Ownership	
	Name	Principal Office Address		% Ownership	
17.	<b>Read the following questions carefully. If the answer is yes to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, judgment amounts.</b>				

A.	Are there any civil or criminal proceedings pending against the applicant <u>or</u> civil or criminal convictions, plea of nolo contendere or plea to lesser charge entered against the applicant that involve theft, fraud, dishonest dealings or moral turpitude?	( ) Yes, attach explanation ( ) No
B.	Is/has the applicant ever been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	( ) Yes, attach explanation ( ) No
C.	Has any other state or federal government agency denied the applicant a license?	( ) Yes, attach explanation ( ) No
D.	Is/has the applicant been the subject of any administrative action or enforcement proceeding by any state or federal government agency involving fines, penalties, or the revocation or suspension of any business license or permit?	( ) Yes, attach explanation ( ) No
18.	Is applicant a subsidiary? <input type="checkbox"/> Yes	<input type="checkbox"/> No
	Parent company name:	
	Mailing address:	
	City:	State: Zip Code:
	If applicant's parent company is a corporation, state where and when incorporated.	
	State Incorporated:	Date Incorporated:
19.	Did you purchase this business from an existing licensee of the Office of Financial Institutions?	( ) Yes, attach explanation ( ) No
20.	Did you purchase assets or a loan portfolio from an existing licensee of the Office of Financial Institutions?	( ) Yes ( ) No
<b>IN ADDITION TO ALL OF THE ABOVE, APPLICANT MUST SUBMIT THE FOLLOWING ATTACHMENTS:</b>		
A.	Biographical / Authority Sheet completed and notarized for everyone listed in #16.(See Attachment B)	
B.	A current 10-year employment/experience form for everyone listed in #16 and sole proprietors.(See Attachment C)	
C.	Residence addresses for the last 10 years for everyone listed in #16.(See Attachment D)	
D.	Provide copies of the following, whichever are applicable: 1. If applicant is a corporation, provide a copy of Articles of Incorporation, including amendments. 2. If applicant is a Limited Liability Company (LLC) provide a copy of the Articles of Organization and operating agreement. If no operating agreement exists provide a notice stating this, signed by the members. 4. If applicant is a general partnership or a Limited Liability Partnership (LLP) provide a copy of the Partnership Agreement.	

## APPLICATION AFFIDAVIT

<h2 style="margin: 0;">APPLICATION AFFIDAVIT</h2>
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Name of Company

By: \_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Print Name and Title

\*\*\*\*\*

**STATE OR COMMONWEALTH OF** \_\_\_\_\_  
**COUNTY /PARISH OF** \_\_\_\_\_

\_\_\_\_\_ personally came and appeared before me, the undersigned  
(authorized person above)  
notary, and declared under oath that she/he is the \_\_\_\_\_ of  
(Title)  
\_\_\_\_\_, that she/he is authorized to sign and submit the attached  
(Name of Company)  
application and that all statements and representations made therein are true and correct to the best of  
his/her knowledge, information and belief.

\_\_\_\_\_  
Signature of the authorized person

Sworn to and subscribed before me on this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Print Name of Notary Public

My Commission Expires: \_\_\_\_\_

(Seal)

**LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS**  
**8660 United Plaza Boulevard, 2<sup>nd</sup> Floor**  
**Baton Rouge, LA 70809**  
**(225) 925-4660**

**FINGERPRINT CARD INFORMATION**

Act 236 of the 2006 Regular Session of the Louisiana Legislature amended LSA-R.S. 6:121.2 effective June 2, 2006. This section authorizes the Commissioner of Financial Institutions to request and obtain state and national criminal history record information on any person applying for any license with the Office of Financial Institutions, as well as require any applicant for any license to submit two full sets of fingerprints in a form or manner prescribed by the Commissioner as a condition of the Commissioner's consideration of their application.

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**WHO MUST SUBMIT FINGERPRINT CARDS:**

- 1) **Owner(s):** Sole Proprietors; partners and general partners, if partnership; trustees; members and general members, if an LLC; and 10% or greater equity owners.
- 2) **Director(s):** All directors.
- 3) **Officer(s):** Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice President(s), Corporate Secretary, Treasurer, or individuals of similar status or function.
- 4) **Manager(s)**

**WHAT MUST BE SUBMITTED:**

- 1) Two **original** Form FD 258 fingerprint cards or equivalent which can be obtained from your local law enforcement office. In addition to your fingerprints, the cards must have your Social Security Number, date of birth, printed name, and signature. If submitting cards done electronically (digital cards), the fingerprints on each card should be taken separately instead of taken once and printed out twice. A duplicated card that gets rejected may result in an additional \$38.00 processing fee and will delay the processing of the application.
- 2) \$38.00 nonrefundable criminal background processing fee made payable to the Office of Financial Institutions. (This fee is in addition to the application fee.)
- 3) Completed Authority to Obtain Information from Outside Sources form, signed and dated and notarized (included in application packet).
- 4) Completed and signed Louisiana State Bureau of Criminal Identification and Information Form (included in application packet).

**IMPORTANT NOTICE**

**Applicants submitting fingerprint cards that are smudged or unreadable will be required to resubmit new cards. This will add to the processing time of the application.**

## **Fingerprints & Background Reports “FAQ”**

### **•What is OFI’s authority to require fingerprints and a FBI background check?**

LSA-R.S. 6:121.2(B) states “The commissioner shall have the authority to:

(1) Request and obtain state and national criminal history record information on any person applying for any license with the Office of Financial Institutions.

(2) Require any applicant for any license to submit two full sets of fingerprints, in a form and manner prescribed by the commissioner, as a condition of the commissioner’s consideration of his application...”

### **• What is my fingerprint card used for?**

The fingerprints will be used to check the criminal records of the FBI and Louisiana State Police.

### **• What happens to my fingerprint cards submitted to OFI?**

All fingerprint cards are shredded immediately upon receipt of the criminal history report.

### **• How is FBI information used?**

The criminal history report received from the FBI is reviewed and considered as part of the overall character and fitness evaluation of an individual associated with a licensee regulated by OFI. Identification records obtained from the FBI may be used solely for the purpose requested and may not be disseminated outside OFI. If information on the record is used to disqualify an applicant, the official making the determination of suitability for licensing or employment shall provide the applicant the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

### **• How do I obtain a copy of, challenge or correct information in my FBI criminal history report?**

If you wish to obtain a copy of your FBI criminal history report, challenge information contained therein, correct or update the record as it appears in the FBI’s CJIS Division Records System, be advised that the procedures are set forth in Title 28, CFR, Section 16.34 as cited below:

#### **§ 16.34 Procedure to obtain change, correction or updating of identification records.**

If, after reviewing his/her identification record, the subject thereof believes that it is incorrect or incomplete in any respect and wishes changes, corrections or updating of the alleged deficiency, he/she should make application directly to the agency which contributed the questioned information. The subject of a record may also direct his/her challenge as to the accuracy or completeness of any entry on his/her record to the FBI, Criminal Justice Information Services (CJIS) Division, ATTN: SCU, Mod. D-2, 1000 Custer Hollow Road, Clarksburg, WV 26306. The FBI will then forward the challenge to the agency which submitted the data requesting that agency to verify or correct the challenged entry. Upon the receipt of an official communication directly from the agency which contributed the original information, the FBI CJIS Division will make any changes necessary in accordance with the information supplied by that agency.

# **AUTHORITY TO OBTAIN INFORMATION FROM OUTSIDE SOURCES**

**THIS FORM MUST BE SUBMITTED FOR EACH PERSON LISTED IN QUESTION # 16**

Name:	Social Security #:
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Home Address:
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Date of Birth:	Home Telephone No:
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**Read the following questions carefully. If the answer is "yes" to any of the questions, attach a full written explanation. Include names, dates, court name and address, case number, judgment amounts.**

Have you ever been convicted of, pleaded guilty to, or entered a plea of Nolo Contendere (no contest) to a felony, including any which may have been expunged, set aside or for which you received a first offense pardon?	( ) Yes, attach explanation ( ) No
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Have you ever been convicted of, pleaded guilty to, or entered a plea of Nolo Contendere (no contest) to any misdemeanor involving theft, fraud, or dishonesty including any which may have been expunged, set aside or for which you received a first offense pardon?	( ) Yes, attach explanation ( ) No
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Have you been refused a license or permit to do business under the provisions of a similar law or subject to any enforcement proceedings by any State or Federal government agency involving the revocation or suspension of any business license or permit, fines or penalties?	( ) Yes, attach explanation ( ) No
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Have you been discharged for cause or been requested to resign from any employment position?	( ) Yes, attach explanation ( ) No
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Have you been the subject of a bankruptcy, assignment for the benefit of creditors, receivership, conservatorship, or any similar proceeding?	( ) Yes, attach explanation ( ) No
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Are there any civil proceedings pending against you or civil judgments entered against you which involve fraud or dishonesty?	( ) Yes, attach explanation ( ) No
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Have any civil judgments been entered against you during the past 10 years?	( ) Yes, attach explanation ( ) No
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I hereby authorize the licensing authority to make inquiries from any financial institution, credit bureau, current and former employers, law enforcement agency, and any other person or any agent acting on its behalf, obtain any information they have, including without limitation my creditworthiness, character, ability, business activities, educational background, general reputation, history of my employment, and in the case of former employers, complete reasons for my termination for the purpose of determining my financial responsibility, character and fitness in connection with any renewal or application for a license or registration. I affirm that I have executed this form of my own free will and have read and understand the items and instructions; my answers (including attachments) are true and complete to the best of my knowledge. I understand that I am subject to administrative, civil or criminal penalties if I give false or misleading answers. **FALSE OR MATERIALLY INCOMPLETE ANSWERS ARE GROUNDS FOR DENIAL OR REVOCATION.**

\_\_\_\_\_  
Signature

SUBSCRIBED BEFORE ME ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

AT: \_\_\_\_\_, \_\_\_\_\_  
(CITY) (STATE or COMMONWEALTH)

PRINT NAME OF NOTARY PUBLIC:	SIGNATURE OF NOTARY PUBLIC:
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**Louisiana State Police  
Bureau of Criminal Identification and Information  
Baton Rouge, Louisiana**

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\*\*FORMS MUST BE FILLED OUT IN INK AND BE REVIEWED BY SUBMITTING AGENCY/INDIVIDUAL FOR ACCURACY\*\*

\*\*\*FINGERPRINTS ARE NECESSARY FOR A POSITIVE IDENTIFICATION\*\*\*

\*\*\*\*PLEASE PRINT\*\*\*\*

Louisiana Office of Financial Institutions  
FACILITY OR AGENCY

Michelle Jeansonne  
FACILITY OR AGENCY AUTHORIZED REPRESENTATIVE

P.O. Box 94095  
MAILING ADDRESS

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE

Baton Rouge,                      Louisiana                      70804  
CITY                                      STATE                                      ZIP CODE

(225) 925-4660  
FACILITY OR AGENCY PHONE NUMBER

**Request For: (pick one only)**

- |                                                                              |                                                                             |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> ADULT DAY CARE                                      | <input type="checkbox"/> MEDICAL EXAMINERS                                  |
| <input type="checkbox"/> ADULT RESIDENTIAL                                   | <input type="checkbox"/> NURSING HOME                                       |
| <input type="checkbox"/> ALCOHOL AND BEVERAGE COMMISSION                     | <input type="checkbox"/> OCS FOSTER/ADOPTIVE                                |
| <input type="checkbox"/> ALCOHOL BEVERAGE OUTLET                             | <input type="checkbox"/> OCS PERSONNEL                                      |
| <input type="checkbox"/> AMBULANCE SERVICE                                   | <input checked="" type="checkbox"/> <b>OFFICE OF FINANCIAL INSTITUTIONS</b> |
| <input type="checkbox"/> CASA                                                | <input type="checkbox"/> OFFICE OF PUBLIC HEALTH                            |
| <input type="checkbox"/> CONCEALED HANDGUNS                                  | <input type="checkbox"/> PHARMACY BOARD                                     |
| <input type="checkbox"/> CRIMINAL JUSTICE EMPLOYEE                           | <input type="checkbox"/> POSTSECONDARY EDUCATION                            |
| <input type="checkbox"/> DAYCARE                                             | <input type="checkbox"/> PRACTICAL NURSING                                  |
| <input type="checkbox"/> DENTISTRY BOARD                                     | <input type="checkbox"/> PRIVATE ADOPTION                                   |
| <input type="checkbox"/> DEPARTMENT OF LABOR                                 | <input type="checkbox"/> PRIVATE INVESTIGATORS                              |
| <input type="checkbox"/> DEPARTMENT OF PUBLIC SAFETY                         | <input type="checkbox"/> PRIVATE SECURITY                                   |
| <input type="checkbox"/> EMPLOYERS                                           | <input type="checkbox"/> PUBLIC HOUSING                                     |
| <input type="checkbox"/> FIREFIGHTERS                                        | <input type="checkbox"/> PUBLIC TAG AGENT                                   |
| <input type="checkbox"/> GAMING                                              | <input type="checkbox"/> REGISTERED NURSING                                 |
| <input type="checkbox"/> HOME HEALTH AGENCY                                  | <input type="checkbox"/> RELIGIOUS ACTIVISTS                                |
| <input type="checkbox"/> HOSPICE                                             | <input type="checkbox"/> RIVERBOAT PILOTS                                   |
| <input type="checkbox"/> IMMIGRATION                                         | <input type="checkbox"/> SCHOOL                                             |
| <input type="checkbox"/> INTERMEDIATE CARE FACILITY FOR<br>MENTALLY RETARDED | <input type="checkbox"/> SENATE AND GOVERNMENTAL AFFAIRS                    |
| <input type="checkbox"/> JUVENILE DETENTION CENTER                           | <input type="checkbox"/> TAXI DRIVERS                                       |
| <input type="checkbox"/> DEPARTMENT OF INSURANCE                             | <input type="checkbox"/> USED MOTOR VEHICLE COMMISSION                      |
| <input type="checkbox"/> MANUFACTURED HOUSING                                | <input type="checkbox"/> VOLUNTEERS WORKING WITH CHILDREN                   |

APPLICANTS FULL NAME: \_\_\_\_\_  
\*\*\*\*PRINT - USE INK\*\*\*\*                      LAST                      FIRST                      MIDDLE  
(INCLUDE MAIDEN NAME & PREVIOUS MARRIED NAMES IF APPLICABLE)

APPLICANTS SIGNATURE: \_\_\_\_\_

APPLICANTS SOCIAL SECURITY # \_\_\_ - \_\_\_ - \_\_\_\_\_      DATE OF BIRTH: \_\_ / \_\_ / \_\_

DRIVERS LICENSE # \_\_\_\_\_ & STATE \_\_\_\_\_ RACE \_\_\_\_ SEX \_\_\_\_

TYPE OF OFI LICENSE APPLIED FOR \_\_\_\_\_

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**AUTHORIZATION TO DISCLOSE CRIMINAL HISTORY RECORDS INFORMATION**

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By my signature above, I hereby authorize the Louisiana State Police to release all pertinent criminal record information maintained in their files, other states files, or the FBI files (if applicable ) which may confirm or deny my eligibility with the facility or agency named above.

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Attachment E-1

IRREVOCABLE LETTER OF CREDIT

BY: \_\_\_\_\_ and
(Name of Financial Institution)

BETWEEN: Commissioner John Ducrest, Trustee, Office of Financial Institutions, Office of the Governor,
State of Louisiana

and \_\_\_\_\_
(Licensee, bond for deed escrow agent)

BEFORE US, the undersigned notaries public, duly commissioned and qualified in and for our respective
jurisdiction, and the presence of the undersigned competent witnesses, personally appeared:

\_\_\_\_\_, represented herein by
(Financial Institution)
\_\_\_\_\_ duly authorized by resolution of the Board of
(Bank official)
Directors, a copy of which is attached hereto and made a part hereof, hereinafter referred to as "Bank," whose mailing
address is \_\_\_\_\_,
(City) (State) (Zip Code)

Commissioner John Ducrest, Trustee, Office of Financial Institutions, State of Louisiana, hereinafter referred to as
"Commissioner," whose mailing address is P.O. Box 94095, Baton Rouge, LA 70804-9095 and whose office is located at
8660 United Plaza Blvd., Second Floor, Baton Rouge, LA 70809; and

\_\_\_\_\_, represented herein by
(Name of Licensee)
\_\_\_\_\_, duly authorized by
(Officer)
resolution of the Board of Directors, a copy of which is attached hereto and made a part hereof, hereinafter referred to as
"licensee", "whose mailing address is \_\_\_\_\_,
(City) (State) (Zip Code)

who entered into the following agreement and irrevocable letter of credit, to-wit:

Bank, through its duly authorized representative, hereby issues in favor of Trustee, Commissioner John Ducrest,
an irrevocable letter of credit No. \_\_\_\_\_, which is payable to the account of Commissioner of Financial
Institutions, John Ducrest, Trustee, upon presentment of drafts drawn on Bank at sight on the following terms and
conditions, to-wit:

- 1. Obligation of Issuer. The Letter of Credit must be irrevocable.
2. Transferability. Letter of Credit is to be transferable in whole or in part.
3. Beneficiary. The beneficiary is Trustee, John Ducrest, Commissioner, Office of Financial Institutions, Office of
the Governor, State of Louisiana.
4. Drafts. Drafts are to be sight, drawn at the option of beneficiary on Bank.
5. Total. The sum of all drafts drawn on the letter of credit must not exceed in total \$ \_\_\_\_\_.

## IRREVOCABLE LETTER OF CREDIT

6. **Purpose.** The purpose of this irrevocable letter of credit is to provide security in lieu of a bond or deposit in escrow of cash for the issuance of a license as a bond for deed escrow agent pursuant to LSA-R.S. 6: 414(B), LSA-R.S. 9:2941-2948, and LAC 10:XV. Chapter 9 Section 901 et seq.
7. **Conditions.** If during the term of this irrevocable letter of credit, a written claim is filed with the Louisiana Office of Financial Institutions for damage occasioned by licensee's operations, the Commissioner shall draw upon this letter of credit an amount equal to the claim but not to exceed the total of this irrevocable letter of credit and shall deposit such funds in the Bank in the form of a certificate of deposit which shall be captioned John Ducrest, Commissioner of Financial Institutions, Trustee. The funds shall not be disbursed nor the certificate of deposit terminated except for renewal purposes until settlement of the claim. The Bank and licensee hereby concur and accept this condition for the issuance of a license and irrevocable letter of credit. The Commissioner, Bank and Licensee agree that the drawers, endorsers and bona fide holders of drafts drawn under and in compliance with the terms of this credit that the same shall be duly honored upon due presentment by the Commissioner to the Bank. The Commissioner will only draw upon receipt by the Office of Financial Institutions of a written claim against licensee during the term of this irrevocable letter of credit.
8. **Procedures for Drawing on the Irrevocable Letter of Credit.** The Commissioner shall mark all drafts with the number and date of this irrevocable letter of credit and the name of this Bank and shall attach to said draft the original copy of this irrevocable letter of credit. The amount of the drafts drawn on this credit shall be endorsed on the reverse side of the irrevocable letter of credit by the Commissioner, and the presentation of the drafts if negotiated shall be warranted by the Bank that such endorsement has been made and documents have been forwarded as herein required. Upon presentment of the draft, Bank agrees to deposit in said Bank a certificate of deposit made payable to John Ducrest, Commissioner of Financial Institutions, Trustee, under the terms and conditions outlined in paragraph seven (7) above.
9. **Place of Presentment of Draft.** All drafts shall be presented at Bank on or before termination of this letter of credit.
10. **Termination.** The irrevocable letter of credit expires on \_\_\_\_\_, 20\_\_ at \_\_\_\_ o'clock P.M. if no written claim has been filed with the Commissioner and if the Commissioner has not drawn on this irrevocable letter of credit to cover any claims which have been filed with his office. The irrevocable letter of credit shall automatically renew with no lapse in coverage and may be cancelled or non-renewed by the depository institution or licensee only after giving the Commissioner 60 days notice prior to such action. Alternatively, sixty days after the last bond for deed transaction is satisfied, the licensee may petition the Office of Financial Institutions for termination of the letter of credit, which then may be terminated at the discretion of the Commissioner.
11. **Commissioner's Delegation to a Designee.** The Commissioner by authentic act may delegate any part or all of his responsibilities herein to a designee. Any delegation by the Commissioner shall be done in multiple originals and shall be sent to Bank and licensee by certified mail.
12. **Duty of the Commissioner and His Designee.** The Commissioner and his designee shall have only the responsibility of presenting a demand for payment under this irrevocable letter of credit when a written claim has been filed at least twenty-four (24) hours prior to the expiration time of this irrevocable letter of credit, and to serve as trustee of the funds until claims against the licensee are settled.
13. **Applicable Law.** This irrevocable letter of credit is to be governed by the laws of the State of Louisiana.

**Attachment E-3**

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Bank  
\_\_\_\_\_  
Signature of Bank Representative

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the whole.

\_\_\_\_\_  
Notary

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
John Ducrest, CPA  
Commissioner Louisiana Office of Financial Institutions

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the  
whole.

\_\_\_\_\_  
Notary

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Licensee Bond for Deed Escrow Agent  
\_\_\_\_\_  
Signature of Authorized Person

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the whole.

\_\_\_\_\_  
Notary



**Attachment H**

**BOND FOR DEED SURETY BOND**

No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENT: That we,

\_\_\_\_\_  
(Principal-Licensee's Name including trade name or d/b/a)

\_\_\_\_\_  
(Principal's physical location) as Principal,

and \_\_\_\_\_  
(Surety's Name)

\_\_\_\_\_  
(Surety's Address) ( )  
(Surety's Phone Number)

a corporation duly organized under the laws of the State of \_\_\_\_\_, which is authorized to engage in the business of insurance in the State of Louisiana, as Surety, are held and firmly bound unto the Office of Financial Institutions of the State of Louisiana, in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) lawful money of the United States, for which payment will and truly be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by the presents.

Whereas, the above bounden Principal has applied to the Commissioner of Financial Institutions of Louisiana for a license to conduct the business of bond for deed escrow agent organization as required by LSA-R.S. 6:414, LSA-R.S. 9:2941 et seq., and LAC 10:XV. Chapter 9 Section 909 et seq., the purpose of which is to secure the compliance by Principal with the terms of said law and any other legal obligations arising out of the Principal's conduct as a bond for deed escrow agent. This bond is for the benefit of the State of Louisiana and all persons suffering damages by reason of Principal's failure to comply with the aforesaid statute or other legal obligation arising out of Principal's conduct as a bond for deed escrow, agent organization. If Principal shall violate the aforesaid statute, or other legal obligation arising out of its conduct as a bond for deed escrow agent, the Commissioner of Financial Institutions, as well as any person damaged as a result of such violation, shall have, in addition to all other legal remedies, a right of action on this bond in the name of the injured party for loss sustained by the injured party.

This obligation may be cancelled by said Surety by giving sixty (60) days notice in writing of its intention so to do to the Office of Financial Institutions and the Surety shall be relieved of any further liability under this bond sixty (60) days after receipt of said notice by the Office of Financial Institutions. No cause of action shall lie against the Surety unless commenced within two years from the date the cause of action accrues against the principal.

Regardless of the number of years this bond shall continue in force and the number of premiums, which shall be payable or paid, the surety's total limit of liability shall not be cumulative from year to year or period to period.

Signed at \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_ in the presence of the subscribing competent witnesses.

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Surety

By: \_\_\_\_\_  
(If a Corporation, Partnership or LLC)

By: \_\_\_\_\_

\_\_\_\_\_  
Print of type name of signer

\_\_\_\_\_  
Print or type name of signer

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Attachment I**

**LIST OF FINANCIAL INSTITUTION ACCOUNTS  
CONFIDENTIAL**

Location & Identification numbers of all bank accounts in which **CLIENTS' FUNDS/LICENSEES' FUNDS** are transacted:

Account No.: _____ Account Name: _____ Financial Institution: _____ Address: _____ _____ Signature Authorities: _____ _____
Account No.: _____ Account Name: _____ Financial Institution: _____ Address: _____ _____ Signature Authorities: _____ _____
Account No.: _____ Account Name: _____ Financial Institution: _____ Address: _____ _____ Signature Authorities: _____ _____
Account No.: _____ Account Name: _____ Financial Institution: _____ Address: _____ _____ Signature Authorities: _____ _____

**Attachment J-1**

**ESCROW AND REGULATORY AGREEMENT**

WHEREAS, \_\_\_\_\_  
is a license bond for deed escrow agent under LSA-R.S. 6: 414 (B), LSA-R.S. 9:2941-2948, and LAC 10: XV.Chapter 9 Section 901 et seq.;

WHEREAS, the Commissioner, Office of Financial Institutions, Office of the Governor, State of Louisiana, is a state agency charged with the administration of the LSA-R.S. 6: 414 (B) and LAC 10:XV. Chapter 9 Section 901 et seq.;

WHEREAS, \_\_\_\_\_ a duly chartered and insured Louisiana bank or savings institution;

WHEREAS, state regulations, LAC 10: XV. Chapter 9 Section 901 et seq., require that a license of bond for deed escrow agent shall obtain an irrevocable letter of credit, a surety bond or establish a trust account with a federally insured depository institution with a branch located in Louisiana;

WHEREAS, the amount of the letter of credit, bond or trust account shall be ten thousand dollars (\$10,000.00) initially;

WHEREAS, the letter of credit, bond or trust account shall be in favor of the State of Louisiana;

WHEREAS, any person damaged by the license agent's breach of contract, by any obligation arising therefrom, or by any violation of law may bring an action against the letter of credit, bond or trust accounts to recover monies therefrom;

NOW, THERFORE, BEFORE US, the undersigned notaries public, duly commissioned and qualified in and for our respective jurisdiction, and in the presence of the undersigned competent witnesses, personally appeared \_\_\_\_\_ represented herein by \_\_\_\_\_, duly  
(Licensee) (Officer)

authorized by resolution of the Board of Directors, a copy of which is attached hereto and made a part hereof, hereinafter referred to as "Licensee Bond for Deed Escrow Agent," whose mailing address is

\_\_\_\_\_,  
(City) (State) (Zip Code)

\_\_\_\_\_ represented herein by \_\_\_\_\_, duly  
(Name of Financial Institutions) (Officer)

authorized by resolution of the Board of Directors, a copy of which is attached hereto and made a part hereinafter referred to as "Bank ," whose mailing address is: \_\_\_\_\_

\_\_\_\_\_, and Commissioner John Ducrest, Trustee, Office of Financial  
(City) (State) (Zip Code)

Institutions, Office of the Governor, State of Louisiana, hereinafter referred to as "Commissioner," whose mailing address is P. O. Box 94095, Baton Rouge, LA 70804-9095 and whose office is located at 8660 United Plaza Blvd., 2nd Floor, Baton Rouge, LA, 70809; who entered into the following escrow and regulatory agreement, to-wit:

## ESCROW AND REGULATORY AGREEMENT

Licensee/agent agrees to establish an unencumbered escrow account at the Bank in the amount of the statutory bond or trust account agreement as determined by the Commissioner and in the name of the Commissioner as Trustee. If during the term of this escrow account, a written claim is filed with the Louisiana Office of Financial Institutions for damages occasioned by licensee/agent's operations, then the Commissioner shall draw upon this escrow account an amount equal to claim but not to exceed the total of this escrow and shall deposit such funds in the Bank in the form of a certificate of deposit which shall be captioned John Ducrest, Commissioner of Financial Institutions, Trustee. The funds shall not be disbursed nor the certificate of deposit terminated, except for renewal purposes, until settlement of the claim.

The Bank and Licensee/Agent hereby concur and accept this condition for the issuance of a license and establishment of an escrow account. The Commissioner, Bank and Licensee/agent agree that the drafts drawn under and in compliance with the terms of this escrow agreement shall be duly honored upon due presentment by the Commissioner to the Bank. The Commissioner will only draw funds from this escrow account upon receipt by the Office of Financial Institutions of a written claim against licensee/agent.

The Commissioner shall mark all drafts with the number and date of this escrow and regulatory agreement and the name of this Bank and shall attach to said draft the original copy of this irrevocable letter of credit. The amount of the drafts drawn on this escrow account shall be noted in the Bank's records for the escrow account and the presentation of the drafts, if negotiated, shall be warranted by the Bank that such endorsement has been made and documents have been forwarded as herein required. Upon presentment of the draft Bank agrees to deposit in said Bank a certificate of deposit made payable to John Ducrest, Commissioner of Financial Institutions, Trustee, under the previously stated terms and conditions.

The Commissioner, by authentic act, may delegate any part or all of his responsibilities herein to designee. Any delegation by the Commissioner shall be done in multiple originals and shall be sent to Bank and Licensee/agent by certified mail.

The Commissioner and his designee shall have only the responsibility of presenting a demand for payment under this escrow agreement when a written claim has been filed prior to the expiration time of the escrow account, and to serve as trustee of the funds until claims against the Licensee/agent are settled.

In no event shall the term of the Escrow and Regulatory Agreement extend beyond one year maximum, unless renewed at the licensee's request. Sixty days after the last bond for deed transaction is satisfied, the licensee may petition the Office of Financial Institutions for termination of the escrow and regulatory agreement, which then may be terminated at the discretion of the Commissioner.

This agreement is to be governed by the laws of the State of Louisiana. The Licensee/agent agrees to appoint the following Louisiana resident as its agent for service of process:

---

(Name and Address of Agent for Service of Process)

**Attachment J-3**

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Bank  
\_\_\_\_\_  
Signature of Bank Representative

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the whole.

\_\_\_\_\_  
Notary

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**John Ducrest, CPA**  
**Commissioner Louisiana**  
**Office of Financial Institutions**

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the whole.

\_\_\_\_\_  
Notary

**WITNESSES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Licensee Bond for Deed Escrow Agent  
\_\_\_\_\_  
Signature of Authorized Person

THUS DONE AND SIGNED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
Louisiana, in the presence of the undersigned witnesses and me, Notary, after due reading of the whole.

\_\_\_\_\_  
Notary

**Attachment K**

**AUTHORITY TO OBTAIN INFORMATION  
FINANCIAL INSTITUTIONS**

**(This sheet must be signed by a legally authorized representative of the applicant)**

I, \_\_\_\_\_, do state and hereby  
(name and title)

authorize the Commissioner of Financial Institutions, State of Louisiana, or his designee, to make inquiries of any financial institution(s) designated by the bond for deed escrow agency under the name(s) of \_\_\_\_\_ the purpose of which is to ensure that accounts have been established and are being properly maintained to ensure the safety of funds received by the bond for deed escrow agency.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

A copy of this authorization may be accepted as an original.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name



**LOUISIANA REVISED STATUTES**  
**TITLE 6. BANKS AND BANKING**  
**CHAPTER 4. PROHIBITED PRACTICES; SANCTIONS**

**§ 414. Use of certain terms by persons other than financial institutions prohibited**

A. No person other than a financial institution shall in any manner directly or indirectly in written or verbal advertising or other communication purport to offer a savings account, savings deposit, certificate of deposit, savings certificate, money market certificate, share account, share draft account, passbook account, checking account, or withdrawals from such accounts. This provision, however, shall not be construed to prohibit any person from describing in verbal or written advertisement in this state the investment services it is offering, provided that such advertisement does not mislead the public by implying that such investment services are the equivalent of those stated above.

B. No person other than a financial institution or other person subject to the general supervision or regulation of the commissioner pursuant to this Title or Title 9 of the Louisiana Revised Statutes of 1950 shall engage in business as a bond for deed escrow agent on or after November 1, 1993, unless such person has first obtained a license pursuant to regulations issued by the commissioner. A person engaged in business as such an agent on January 1, 1993, may continue to be so engaged and shall have until December 31, 1993, to obtain a license in conformity herewith. The commissioner shall promulgate such rules and regulations as deemed necessary to implement this provision.

C. Any person who is found guilty of a violation of any of the provisions of this Section shall be punishable by a fine of not more than one thousand dollars, and each day of violation shall constitute a separate offense.

**LOUISIANA REVISED STATUTES  
TITLE 9. CIVIL CODE BOOK III  
OF THE DIFFERENT MODES OF  
ACQUIRING THE OWNERSHIP OF THINGS  
CODE TITLE VII--SALE  
CHAPTER 2. CONVENTIONAL SALES  
PART I. BOND FOR DEED CONTRACTS**

**§ 2941. "Bond for deed" defined**

A bond for deed is a contract to sell real property in which the purchase price is to be paid by the buyer to the seller in installments and in which the seller after payment of a stipulated sum agrees to deliver title to the buyer.

**§2941.1. Recordation; subsequent filings; interest prohibited; cancellation of mortgage records**

A. Upon the recordation in the mortgage and conveyance records of a bond for deed contract as defined in R.S. 9:2941, any sale, contract, counterletter, lease, or mortgage executed by the bond for deed seller, and any lien, privilege, or judgment relating to or purporting to affect immovable property that has not been filed previously for registry or recorded in the mortgage records shall be subject to the rights created by the bond for deed contract.

B. Following registry of the sale by bond for deed seller to the bond for deed purchaser, his successors or assigns, any such instrument or writing that was filed in the mortgage records after the filing of the bond for deed contract shall be cancelled by the clerk of court or the recorder of mortgages upon request by affidavit of any interested party, but only insofar as it affects the property described in the bond for deed and subsequent sale after the note holder or lien holder has been given thirty days written notice and fails to execute a release. A copy of the sale by the bond for deed seller to the bond for deed purchaser or his successors or assigns containing relevant recordation information shall be attached to the request.

C. The provisions of this Section shall not apply to tax sales or redemptions as provided for by R.S. 47:2171, et seq.

### **§ 2942. Unlawful to sell encumbered real property by bond for deed without guarantee to release on payment**

It shall be unlawful to sell by bond for deed contract any real property which is encumbered by mortgage or privilege without first obtaining a written guarantee from the mortgage and privilege holders to release the property upon payment by the buyer of a stipulated mortgage release price with which agreement the secured notes shall be identified. The agreement shall be recorded in the mortgage records of the parish where the property is situated before any part of the property is offered for sale under bond for deed contracts. The provisions of this Part likewise shall apply to any property offered for sale by bond for deed contract which may be subsequently mortgaged or encumbered by a privilege.

### **§ 2943. Method of payment**

All payments by the buyers under bond for deed contracts of property then or thereafter burdened with a mortgage or privilege shall be made to some bank authorized to do business in this state which shall have been designated as the escrow agent for all parties interested in the contract. The payments shall be distributed by the escrow agent between the seller and the holder of the mortgage or privilege in such proportion as the secured obligation shall bear to the purchase price in order to insure the buyer an unencumbered title when all payments have been made as provided in the bond for deed contract.

### **§ 2944. Timely payment of installments precludes foreclosure; change of description upon foreclosure**

The payments as they fall due of all installments by buyers under bond for deed contracts shall preclude the holder of any secured notes from foreclosure, but the failure of the buyers to make payments as they fall due shall secure to the holder of the notes the right to foreclose when the notes become due and are unpaid. In the event of a foreclosure under such circumstances, the description as contained in the act of mortgage may be changed so as to leave unaffected those lots or tracts of land on which payments have been kept up and so as to affect and adjudicate under the foreclosure only such lots as may be in default of payments and other lots not sold under bond for deed contracts.

### **§ 2945. Cancellation of bond for deed upon default**

A. If the buyer under a bond for deed contract shall fail to make the payments in accordance with its terms and conditions, the seller, at his option, may have the bond for deed canceled by proper registry in the conveyance records provided he has first caused the escrow agent to serve notice upon the buyer by registered or certified mail, return receipt requested, at his last known address, that unless payment is made as provided in the bond for deed within forty-five days from the mailing date of the notice, the bond for deed shall be canceled.

B. Where there is no mortgage or privilege existing upon the property and the buyer shall be in default, the seller shall exercise the right of cancellation in the same manner.

C. The fee of the clerk of court for the registry of the cancellation shall not exceed the legal rate per hundred words fixed for conveyance registries.

**§ 2946. Unlawful to require mortgage notes when property encumbered; act of sale**

It shall be unlawful for any seller in a bond for deed contract to require promissory notes to represent the purchase price or any portion thereof if the property should be encumbered with a mortgage or privilege. Upon the payment to the escrow agent of the sum necessary to release the property, the seller shall execute a deed to the buyer and may then exact one or more mortgage notes to represent any portion of the unpaid purchase price. Should the property not be encumbered with a mortgage or privilege and a note has been executed to represent all or a part of the price under the bond for deed contract, when the buyer shall become entitled to demand a deed, the seller shall execute an authentic sale and the notary passing it shall require the production of the note or notes and shall cancel them at the time of passing the sale.

**§ 2947. Penalty for violations**

Any person who sells by bond for deed contract any real property encumbered by mortgage or privilege without first obtaining and recording the guarantee required by R.S. 9:2942 shall be fined not more than one thousand dollars or imprisoned for not more than six months or both.

Any seller in a bond for deed contract of property encumbered with a mortgage or privilege who requires promissory notes to represent the purchase price or any portion thereof shall be fined not more than one thousand dollars or imprisoned for not more than six months or both.

**§ 2948. Bond for deed buyer deemed owner for purposes of homestead exemption**

Notwithstanding any other provisions of law to the contrary, the buyer under a bond for deed contract shall be deemed for purposes of the homestead exemption only to own any immovable property he has purchased and is occupying under bond for deed and may be eligible for the homestead exemption provided in Article VII, Section 20(A) of the Constitution of Louisiana if otherwise qualified. The buyer under a bond for deed contract shall apply for the homestead exemption each year.

**§2949. [Blank]**

**RULES**  
**Bond For Deed Escrow Agents**  
**(LAC 10:XV. Chapter 9)**

**§901. Definitions**

*Bond for Deed* - a contract to sell real property, in which the purchase price is to be paid by the buyer to the seller in installments and in which the seller, after payment of a stipulated sum, agrees to deliver title to the buyer.

*Buyer*- a prospective transferee of title to real property which is the subject of the bond for deed transaction.

*Commissioner* - the commissioner of the Office of Financial Institutions.

*Escrow Agent* - a person designated by the parties to a bond for deed transaction who distributes payments made by the buyer to the seller or on behalf of the seller to any person in accordance with a written bond for deed escrow agent agreement.

*Person* - any individual, firm, corporation, limited liability company, partnership, association, trust, or legal or commercial entity or other group of individuals however organized.

*Principal Shareholder* - a person owning in excess of 10 percent of the total outstanding shares of a corporation, a limited liability company, or other legal or commercial entity.

*Real Property* - immovable property located in Louisiana.

*Seller* - a prospective transferor of title to real property which is the subject of the bond for deed transaction.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR20:412 (April 1994), amended LR 22:187 (March 1996).

**§903. License Requirement, Ownership Change, Location Change, Name Change, Ceasing to Do Business**

A. No person other than a financial institution or other person subject to the general supervision or regulation of the commissioner pursuant to Title 6 or Title 9 of the Louisiana Revised Statutes of 1950 as amended shall engage in business as a bond for deed escrow agent unless such person has first obtained a license in conformity with this rule. Licenses are only required for those persons who wish to act as escrow agent, pursuant to written agreement, for the transfer of real property located within the

boundaries of the state of Louisiana. The license must be prominently displayed at each location where business as a bond for deed escrow agent is conducted.

B. A license issued in accordance with this rule shall be nontransferable. A licensee shall give 30 days prior written notification to the Office of Financial Institutions of any change in ownership of 25 percent or more of its outstanding voting securities or equity ownership. A change in ownership of more than 50 percent shall require the acquiring person to apply for a new license in accordance with the provisions of §905 before ownership transfer occurs.

C. No licensee shall change its name or the location of any office without prior written notification to the commissioner. Written notification should be submitted 30 days prior to the anticipated date of change.

D. No licensee shall cease doing business without providing 30 days prior written notification to the commissioner and shall also provide therewith evidence of full compliance with all applicable laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:187 (March 1996).

### **§905. Application for License and Renewal, Forms, Contents, Fees**

A. Applications for licensure shall be in such form and contain such information as the commissioner may from time to time prescribe. Application forms may be obtained from the Office of Financial Institutions. The application shall contain a public section and a confidential section as determined by the commissioner.

1. The original of the application accompanied by a non-refundable license fee of \$150 shall be submitted by U.S. mail or private mail courier in completed form to the commissioner. Any other method of delivery shall cause the application to be returned.

2. Upon receipt of the application, the commissioner or his designee shall conduct an investigation. Additional information not included in the application, which is necessary to determine qualification for licensing may be requested from the applicant. Failure to provide the information requested on a timely basis may necessitate the return of the application to the applicant or may necessitate denial of the application by the commissioner. Processing of an application will not be completed until the satisfactory conclusion of such required investigation.

B. Each applicant shall possess and maintain a net worth of \$25,000. Further, the financial condition, business experience, and background of the applicant shall be such as to reasonably warrant the commissioner's belief that the applicant's business shall be conducted honestly, carefully and efficiently. The commissioner shall investigate and

consider the qualifications of each sole proprietor, partner, director, officer, principal shareholder or member of an applicant in determining whether the applicant qualifies for licensure.

C. Effective January 1, 1995, and on or before March 15 of each year, each licensee shall file an application for renewal and shall pay to the Office of Financial Institutions a nonrefundable license renewal fee of \$100. If the renewal application and fee are mailed after March 15 but on or before April 15, an additional late penalty equal to 50 percent of the renewal fee shall be paid as a prerequisite for renewal of an existing license. Failure to mail an application for renewal with its accompanying fee on or before April 15 shall result in expiration of the existing license.

D. The application for renewal shall be in such form and require such information as prescribed from time to time by the commissioner. The licensee may be required to submit with the renewal application an annual report disclosing all business activities with regard to servicing escrow agent agreements conducted during the previous year. With any renewal application the licensee shall also provide annual financial statements sufficient to determine each licensee's financial condition.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:187 (March 1996).

### **§907. Escrow Deposit Account**

A. No person shall engage in business as a bond for deed escrow agent without first providing evidence to the commissioner that an escrow deposit account has been established for the sole purpose of receiving the proceeds of monthly payments paid to the licensee by a buyer. The escrow deposit account shall be established with a federally-insured depository institution or branch thereof. The licensee shall give the commissioner written authority to examine the escrow deposit account and if said account is located in an institution domiciled outside of the state of Louisiana, the licensee shall pay any reasonable and necessary expenses, in addition to the examination fee permitted by §911 of this rule, incurred by the commissioner or his designated representatives to conduct such an examination. The licensee shall hold all proceeds of monthly payments in trust from the moment of their receipt. The licensee shall timely account for or deliver to any person any personal property obtained by the escrow agent as required by a written bond for deed escrow agent agreement such as money, funds, deposits, checks, drafts or other property of any value which has come into his hands and which is not his property or which he is not by law entitled to retain. The licensee shall not commingle the proceeds in the escrow account with his own property or funds. If the licensee commingles any proceeds received from a buyer with his own property or funds controlled by licensee, all commingled proceeds and other property shall be considered held in trust by licensee in an amount equal to the amount of the proceeds owed any person by a buyer which is to be paid on behalf of a seller.

B. When a licensee ceases to do business as a bond for deed escrow agent for any reason, the licensee shall immediately supply the commissioner with a written list of all parties that are represented by the licensee under all bond for deed escrow agent agreements. The licensee shall also supply the commissioner with a written list of all persons to whom he/she is required to make payments on behalf of any parties to bond for deed escrow agreement. Said lists shall be certified by the escrow agent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:188 (March 1996).

### **§909. Irrevocable Letter of Credit, Surety Bond, Other Security**

A. No person shall engage in business as a bond for deed escrow agent without having first issued in favor of the Office of Financial Institutions an irrevocable letter of credit in an amount to be determined by the commissioner but in no event less than \$10,000, which letter of credit shall be issued by a federally insured financial institution. Each applicant shall enter into an Irrevocable Letter of Credit Agreement, an Escrow and Regulatory Agreement, and Power of Attorney with the Office of Financial Institutions on forms supplied by the commissioner before being issued a license to commence business.

B. In lieu of such irrevocable letter of credit as required in Subsection A above, each applicant may post and maintain a surety bond issued by a bonding company or insurance company, either of which must be authorized to do business in Louisiana, in the amount of \$10,000 to cover the first year of operation as a licensed bond for deed escrow agent. The bond shall be in a form acceptable to the commissioner and shall run to the Office of Financial Institutions for the benefit and use of the Office of Financial Institutions, parties to the bond for deed agreement, or any persons with a right to the payments made on behalf of any parties to a bond for deed escrow agreement for any liability incurred as a result of the failure of the licensee to perform under a bond for deed escrow agent agreement. Persons who have claims against the licensee or its agents may bring suit directly on the bond. The Louisiana attorney general may bring suit on the bond on behalf of claimants either in one action or successive actions.

C. In lieu of such an irrevocable letter of credit, corporate surety bond, or any portion of such instruments required by this section, the licensee may deposit in escrow with any federally-insured depository institution or branch thereof located in Louisiana the substitution of cash in an amount not less than that required by the irrevocable letter of credit or corporate surety bond, or any portion thereof to be determined by the commissioner. A deposit of cash shall be made in an interest bearing account which must be pledged to the commissioner. The licensee shall be entitled to receive all interest and dividends on the deposit placed in escrow.

D. The amount of the irrevocable letter of credit, surety bond, or cash escrow deposit after the first year of operation may be determined by the commissioner based upon the following nonexclusive factors:

1. the highest level of bond for deed transaction activity performed by the licensee during any one month in the preceding calendar year;
2. the risk to the general public, if any, commensurate with the continuance of the existing surety bond amount established during the preceding period;
3. in no event shall the total amount of security be less than \$10,000.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:188 (March 1996).

### **§911. Record Keeping and Retention, Examination**

A. A bond for deed escrow agent required to be licensed under this Chapter shall maintain in his/her office such books, records, and accounts as are reasonably necessary to allow the commissioner to determine whether such bond for deed escrow agent is complying with the provisions of this rule and with the provisions of all escrow servicing agreements entered into by him/her. Such books, records, and accounts shall be maintained separate and apart from any other business in which the bond for deed escrow agent is involved and shall be kept at the licensed location unless otherwise permitted in writing by the commissioner. Further, each licensed bond for deed escrow agent shall maintain a record of all bond for deed transactions and escrow agent agreements effected by him/her for a period of three years following the expiration or termination of such escrow agent agreement. Each bond for deed escrow agent licensed by this office shall also maintain a file containing the original and/or copies of all complaints filed by sellers, buyers or other third parties affected by bond for deed transactions or escrow agent agreements entered into by the licensee.

B. The commissioner or his designee may visit and examine each licensee in accordance with a schedule consonant with the use, to the fullest extent possible, of the resources of the Office of Financial Institutions, in accordance with good examination practice to determine compliance with this rule, to investigate complaints, or for other good cause shown. If records are moved outside of the boundaries of Louisiana, the bond for deed escrow agent, at the commissioner's option, shall make such records available to the commissioner at a location within this state convenient to the commissioner or shall pay the reasonable and necessary expenses for the commissioner or his representatives to examine such records at the place where they are maintained.

C. The commissioner shall assess an examination and/or visitation fee of \$50 per hour per examiner. If this fee is not paid within 30 days after its assessment, the licensee

examined shall be subject to an administrative penalty of not more than \$50 for each day the fee is late. The penalty together with the amount due plus attorney fees and court cost may be recovered by the commissioner in a civil action brought in any court of competent jurisdiction.

D. The commissioner shall have the authority to examine the books, records and accounts of any former licensee as they pertain to bond for deed escrow activities.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:414(B)..Title 10, Part XV

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:189 (March 1996).

### **§913. Significant Developments**

Each licensee must report any significant developments immediately to the commissioner including but not limited to:

1. the filing of any bankruptcy petitions by the licensee;
2. the indictment or conviction of a felony by any sole proprietor, partner, director, officer, principal shareholder, member, or agent of licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:189 (March 1996).

### **§915. Suspension or Revocation of License**

A. After the licensee has been given notice and an opportunity to be heard, the commissioner may suspend or revoke the license of a bond for deed escrow agent in accordance with R.S. 6:121.1, 6:122 and/or any other relevant provision of law whenever it has been established that the licensee has:

1. violated any provisions of the law or regulations applicable hereto, or committed any act which would constitute grounds for the refusal of a new license;
2. knowingly provided or caused to be made to the commissioner any false or fraudulent misrepresentation of material fact, or suppressed or withheld from the commissioner any information which, if submitted, would have rendered the licensee ineligible to be licensed under this Chapter;

3. refused to permit examination by the commissioner of the licensee's books, records, or affairs, or has refused or failed within a reasonable time to furnish information or to make a report that may be required by the commissioner under the provisions of any applicable law or regulation;

4. violated the reporting requirements set out in §913; or

5. failed to pay all fees and/or assessments as may be imposed by the Office of Financial Institutions.

B. In the event the commissioner suspends the license of an escrow agent, the licensee may continue to service any existing escrow agent agreements entered into prior to the date of suspension but may not enter into new escrow agent agreements subsequent to the date of suspension.

C. In the event the commissioner revokes the license of an escrow agent or if the license expires for failure to renew, the escrow agent may not enter into any new escrow agent agreements subsequent to the date of revocation or expiration and must further comply with one of the following conditions:

1. the licensee must sell all existing escrow agent agreements entered into prior to the date of revocation of the license to a duly licensed escrow agent; or

2. if the licensee is unable to sell the escrow agent agreement to another duly licensed escrow agent, then each escrow agent agreement entered into by licensee must be terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S.6:414(B).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 20:412 (April 1994), amended LR 22:189 (March 1996).

### **§917. Enforcement Powers of the Commissioner**

In addition to the enforcement powers specifically conferred upon the commissioner by other laws, the commissioner shall have such regulatory, investigative, and enforcement authority conferred upon him, through the Office of Financial Institutions, pursuant to all other enforcement provisions of Title 6 and Title 9 of the Revised Statutes of 1950 which may be applicable to persons licensed hereunder.

AUTHORITY NOTE: Promulgated in accordance with Act 932 of 1993.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR20:415 (April 1994).