

COOPERATIVE REVERSE MORTGAGE SURETY BOND

Date: _____

Bond No. _____

WHEREAS, Section 6-0*2 of the Banking Law of the State of New York requires all Institutions (“principals”) engaged in the origination of reverse mortgage loans on cooperative apartments units to furnish a surety bond in an amount, as set forth in Section 6-0*2 (6)(a) of the Banking Law of the State of New York, this principal is required to furnish a surety bond in the amount of **one hundred thousand dollars**; NOW, THEREFORE,

KNOW ALL MEN BY THESE PRESENTS

THAT _____

of _____ County

of _____ State of _____,

as Principal, and _____, a

surety company, having its principal place of business in _____

County of _____ State of _____ and

duly authorized to do business in the State of New York, as Surety, are held and firmly bound unto the Superintendent of Financial Services of the State of New York, for the exclusive use of the Superintendent for the reimbursement of consumer fees and undisbursed consumer payments or other charges determined by the Superintendent to be improperly charged, collected or withheld and claims against the principal for failure to perform its obligations to the borrower, in the principal sum of **\$100,000** for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally by these presents.

The Superintendent shall notify the Surety in writing of any occurrence which may cause the payment of the principal sum within ninety days of the discovery of such occurrence. Payment of this principal sum shall be made by the Surety to the Superintendent upon presentation of a written demand for payment to the Surety by the Superintendent. Said demand

for payment shall be made within one year from the discovery of such occurrence. The Surety shall pay to the Superintendent the lesser of the principal sum of the bond in full or the actual damages as determined by the Superintendent within ninety days of receipt of such written demand for payment.

This bond shall continue in full force and effect indefinitely, subject, however, to cancellation. If the Surety shall so elect, this bond may be cancelled at any time by the Surety by filing with the Superintendent of Financial Services of the State of New York a written notice of such cancellation by registered or certified mail with return receipt requested, the cancellation to be effective not less than thirty days after receipt by the Superintendent of Financial Services of the State of New York of such notice. The filing of such notice shall not discharge the Surety from any liability already accrued under this bond or which shall accrue herein before the expiration of such thirty day or other applicable period. The Surety shall remain liable for claims issued during the term of this bond and prior to the date of cancellation.

The Superintendent shall release any corporate surety bond held pursuant to Section 6-O*2 of the New York Banking Law within six months of the Superintendent's receipt of formal notification from the principal notifying the Superintendent that such principal has discontinued originating reverse mortgage loans on cooperative apartment units located in New York State provided that the proceeds of the bond shall have first been applied to: 1) all consumer fees and undisbursed consumer payments or other charges determined by the Superintendent to be improperly charged, collected or withheld by said principal; and 2) all other claim obligations outstanding against said principal. Nothing contained herein shall prevent the Superintendent from continuing to retain possession of the bond or its proceeds in the event of ongoing litigation involving the principal. Regardless of the number of years this bond remains in force, the aggregate liability of the Surety for any and all claims or judgments to one or more claimants in no event shall exceed the full penal sum hereof.

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In Witness Whereof, we have duly executed the foregoing obligation this ____ day of _____, 20____, to be effective on the ____ day of _____, 20____

SURETY:

Name of Surety

BY: _____
Signature/Title

(if Attorney In Fact, must attach valid Power of Attorney from Surety)

PRINCIPAL:

BY: _____
Signature of Principal

Print Name and Title