



STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING AND SECURITIES  
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## GENERAL INFORMATION ABOUT SURETY CLAIMS

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The Mortgage Loan Originator Surety Fund was established to reimburse consumers for financial loss in a mortgage loan transaction because of a licensee's fraud, deceit, misrepresentation, or wrongful conversion of money. A claim against the fund must be filed within two years after the occurrence.

A \$250 filing fee must accompany all applications for claims against the surety fund. This fee is refundable if the claim is paid, or if it is withdrawn before a hearing. The fee is forfeited to the State if the claim is denied or withdrawn after a hearing has begun.

It is up to the claimant to prove the claim. Each party has the right to be represented by an attorney. However, there is no reimbursement of legal fees incurred in filing and pursuit of a claim, whether or not it is paid.

When a claim is filed, each licensee who was involved in the transaction is notified and given ten days to respond. Other principals will also be notified that a claim has been filed, and that only one hearing will be convened to hear testimony relevant to the subject transaction. In order to be considered, any other claim or information pertinent to the transaction must be filed within the ten-day response period.

The claim and responses are then forwarded to an Administrative Law Judge, who will schedule and conduct an administrative hearing.

The Administrative Law Judge first contacts the parties and arranges for a prehearing conference. At the prehearing, the Administrative Law Judge outlines the procedures for the hearing, and determines a hearing date that will be convenient for all parties. By prior arrangement, it is possible to participate at the prehearing conference by telephone.

The length of time required to schedule and conduct a hearing for a given claim varies according to the complexity of the issues, the number of responses invited, and the work load of the Department. Every attempt is made to process each claim as expeditiously as possible.

After the prehearing conference, procedural questions should be directed to the Administrative Law Judge. Discussions with the Administrative Law Judge regarding facts, circumstances and merits of the claim can only take place in the presence of all parties to the claim.

After the hearing, the Administrative Law Judge prepares a proposed decision, recommending that the claim be either approved or denied. The Department acts on the proposed decision. All parties are then notified of the Department action and given the opportunity to request reconsideration or to appeal to Superior Court, in accordance with the Administrative Procedure Act. If no further action is initiated by either party within the specified time and the claim has been approved, a check is ordered and delivered to the claimant as soon as possible. If the claim has been denied, the file is closed.

Filing a surety claim does not prevent a person from also filing a lawsuit in Civil Court. When a lawsuit is filed, the surety claim is held in abeyance until the court is completed. The law prevents double recovery; therefore, payment through the court may automatically extinguish a claim.

If a claim is within the \$10,000 Small Claims limit, the licensee may elect to go to Small Claims Court instead of defending the claim before the Department. In that case, the \$250 filing fee is refunded.

Many problems can be resolved by discussing them with the Mortgage Lender/Broker (employer) of the Originator. If this is possible, filing a claim may be unnecessary. Other options for resolving disputes include Small Claims, District, or Superior Courts.

For further information about the requirements for filing and proving a surety claim, please consult an attorney or talk with the staff of the Division of Banking and Securities.

# Alaska Mortgage Lending Regulation Act Surety Fund Claim for Payment

Division of Banking and Securities  
550 West 7th Avenue, Suite 1940  
Anchorage, Alaska 99501-3567  
(907) 269-8140

E-mail: [mortgagelending@alaska.gov](mailto:mortgagelending@alaska.gov)

Web Site: [www.commerce.state.ak.us/occ/mortgagelicensing/](http://www.commerce.state.ak.us/occ/mortgagelicensing/)

Date Stamp			
Date	Receipt	Amount	Initials

1. Date \_\_\_\_\_ 2. Claim Number: MS-\_\_\_\_\_

3. Name: \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Work Telephone \_\_\_\_\_ Home Telephone \_\_\_\_\_

Legal Counsel (optional) \_\_\_\_\_ Telephone \_\_\_\_\_

4. Having read the attached instruction sheet and explanation of claim procedures and other available options, I/we hereby make a claim against the surety fund for losses suffered in a mortgage loan transaction involving the following licensees:

5. Originator (1) \_\_\_\_\_ Telephone \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_

Originator (2) \_\_\_\_\_ Telephone \_\_\_\_\_

Street Address \_\_\_\_\_ Telephone \_\_\_\_\_

Originator's Employer \_\_\_\_\_ Telephone \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_

6. Nature of allegation(s):  Fraud  Misrepresentation  Deceit  Wrongful Conversion of money

7. Transaction started \_\_\_\_\_ (Date) Transaction Closed \_\_\_\_\_ (Date)

8. Loss discovered \_\_\_\_\_ (Date) Amount of claim \$ \_\_\_\_\_

9 Supporting documents attached: (List)  
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