

HB 661 — Surplus Requirements/Mortgage Guaranty Insurers

by Rep. Nelson (SB 2084 by Senator Richter)

When a lending institution makes a loan to a homebuyer, it often requires that an insurance policy be written on the loan that compensates the lender in the event that the borrower fails to make payments on the loan. This type of insurance is written by mortgage guaranty insurers, which are regulated by the Office of Insurance Regulation. This bill grants the Commissioner of Insurance Regulation, within the Office of Insurance Regulation, discretion to grant a temporary exception to mortgage guaranty insurers with regard to the current minimum capital surplus requirements. Mortgage guaranty insurance companies may request such an exception and the Commissioner of Insurance Regulation, at his discretion, will determine whether to grant the temporary exception.

If approved by the Governor, these provisions take effect on July 1, 2010.

Vote: Senate 37-0; House 113-0