

U.S. SMALL BUSINESS ADMINISTRATION
SURETY BOND GUARANTEE AGREEMENT
 Terms and Conditions of Agreement on Reverse Side

1. Surety Name		2. Business Name and Business Trade Name		
3. Co-Surety Name + Percentage		4. Principal's Address: Street:		
5. Principal's Name		City, State, Zip and County		
6. CONTRACT – Description of nature and extent (volume) of work: Project Location:				7. <input type="checkbox"/> Bid <input type="checkbox"/> Negotiated
Project Start Date:		Anticipated Completion Date:		
If contractor has started work an SBA Form 991 must be submitted to SBA before the Guarantee Agreement can be executed.				
8. Obligee Name: Address (Street, City, State, Zip, County)				
BLOCKS 9-10 TO BE COMPLETED FOR BID BOND GUARANTEES.				
9. Estimated Contract Amount:		10. Bid Bond Percentage		
BLOCKS 11-21 TO BE COMPLETED FOR CONTRACTS AWARDED AND FINAL BOND GUARANTEES.				
11. Date of Contract Award	12. Contract Amount		13. Maintenance Bond / Agreement Amount	
14. Payment Bond Number	15. Payment Bond Amount		Years	
17. Performance Bond Number	18. Performance Bond Amount		16. Bid Spread	
		Low \$	2 nd Low \$	3 rd Low \$
19. Contractor Fee Amount:		20. Premium Charged by Surety:		21. Surety Fee Amount:
BLOCKS 22-28 TO BE COMPLETED FOR CONTRACT/BOND AMOUNT CHANGES AND SHOULD SPECIFY THE INCREASE/DECREASE CONTRACT, PREMIUM AND FEE AMOUNTS.				
22. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	23a. Original Contract Amount	23b. Revised Contract Amount	24. Payment Bond Amount	25. Performance Bond Amount
26. Contractor Fee Amount:		27. Premium Charged by Surety:		28. Surety Fee Amount:
<p>In my opinion the principal appears to have the financial management/technical abilities to successfully complete this contract. However, I feel this contractor falls below the normal underwriting standard of this surety, who will not issue this bond without the SBA guarantee. By signing below, I certify that I have been authorized by the Surety identified in Box 1 to obligate Surety to the terms and conditions set forth on the reverse of this page; and that all information provided in connection with the Surety's application for a surety bond guaranty from SBA is true, correct and complete to the best of my knowledge. I understand that knowingly making a false statement is a violation of Federal law and could result in criminal prosecution or civil penalties under 18 U.S.C. § 287, 371, 1001, 15 U.S.C. § 645, or 31 U.S.C. § 3729.</p>				
29. Signature of Surety's Attorney-in-Fact:			30. Date:	
Typed Name:				
By its authorized signature, SBA agrees to guarantee the bond described herein as of the time of issuance, subject to the regulations in 13 CFR 115. SBA guarantees _____ % of the loss in consideration of _____ % of the surety's own premium base.				
31. SBA Signature: Type Name: Disposition: <input type="checkbox"/> Approved <input type="checkbox"/> Returned/Withdrawn <input type="checkbox"/> Declined		32. Title:		33. Date:
34. SBG Number:				

SBA FORM 990 (3-07) Previous Editions are Obsolete

By the signature of its authorized representative, on this form (Blocks 29-30), the U.S. Small Business Administration guarantees the Surety named in block 1 against loss resulting from the breach by the Principal of the terms of the bond(s) described in this agreement, subject to 15 U.S.C. §694a and b, the regulations (13 CFR Part 115) and the conditions and representations stated below. In providing this guarantee SBA relies on the declarations made on page 1, and on the forms submitted and signed by surety as applicable. This guaranty shall become effective upon the execution (as defined in said regulations) of the SBA-guaranteed bond by the Surety.

1. Surety represents that it has determined the accuracy and completeness of the information submitted by Surety which relate to this agreement, in accordance with generally accepted surety industry underwriting practices and which is incorporated by this reference.
2. Surety shall, conditional on the execution of this guarantee by SBA, if the Surety determines that the Contract price is reasonable and the contract amount does not exceed that statutory ceiling specified in 13 CFR Part 115, become Surety on bid, performance and payment bond(s) required for the award of the Contract. Surety may withdraw its decision to issue such bond(s) if prescribed underwriting conditions are not met or if additional information comes to the attention of Surety of a nature so as to change its underwriting determination, and notice is given to SBA.
3. The terms and conditions of such bond(s) will be in accord with those generally established and accepted by the surety industry for the type of contract for which such bond(s) are required to be furnished by Principal, and Surety represents that such bonds would not be provided for Principal on this Contract without this SBA guarantee.
4. If any suit or claim is filed against Surety upon said bond(s), Surety must inform SBA of the same within 30 days of receipt of notice. Unless SBA decides otherwise, and so notifies Surety, Surety shall take charge of all suits or claims arising under said bond(s) and compromise, settle or defend such suit or claim until so notified. Surety shall take all steps necessary to mitigate any loss resulting from Principal's default. Surety shall not join SBA in any lawsuit to which Surety is a party unless SBA has denied liability or has agreed to such joinder in writing.
5. No employee of SBA has authority to waive, change or alter the terms of this Agreement, unless such alterations are separately attached and both the SBA and Surety's authorized representatives have signed and dated their assent.
6. This Agreement is made exclusively for the benefit of SBA and the Surety, and does not confer any rights or benefits on any other party, such as any right of action against SBA by any person claiming under SBA-guaranteed bonds or otherwise. In the event of the Surety's insolvency, SBA shall not be liable to the receiver or other representative of the surety except for any loss incurred and monies actually paid by such representative under the bonds guaranteed by SBA.
7. If any provision of this Agreement is in conflict with any SBA regulation, such regulation shall prevail in construing or applying this Agreement.

PLEASE NOTE: The estimated burden for completing this form is 5 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202 Washington, D.C. 20503. OMB Approval (3245-007). PLEASE DO NOT SEND FORMS TO OMB.

