



**U.S. SMALL BUSINESS ADMINISTRATION  
 DEFAULT REPORT, CLAIM FOR REIMBURSEMENT, REPORT OF RECOVERIES  
 AND RECORD OF ADMINISTRATIVE ACTION**

(See page 3 for instructions)

Any intentionally false statement or willful misrepresentation in connection with a claim for payment pursuant to a Guarantee Agreement is a violation of Federal law, subject to criminal and civil prosecution under 18 USC Sections 287, 371, 1001, 15 USC Section 645 and 31 USC Section 3729 carrying possible fines and/or imprisonment.

<b>A. SBG IDENTIFICATION SUMMARY</b>	
SBG NUMBER:	CONTRACTOR'S NAME:
SURETY NAME:	990 DATE: <i>(see instructions)</i>
BOND NUMBER:	CONTRACT AMOUNT \$:
CLAIM NUMBER:	OBLIGEE:
	PROJECT:
DEFAULT STATUS CODE: <input type="checkbox"/> 01 — Active <input type="checkbox"/> 02 — Closed-No Loss <input type="checkbox"/> 03 — Closed-Subrogation <input type="checkbox"/> 04 — Closed-Final <input type="checkbox"/> 05 — Closed Settled	BOND TYPE: <input type="checkbox"/> Payment <input type="checkbox"/> Performance <input type="checkbox"/> Bid
DEFAULT REASON CODE: <i>(see instructions)</i>	DEFAULT DATE:
	LAST STATUS REPORT DATE:
CLOSE DATE: <i>(SBA USE ONLY)</i>	<input type="checkbox"/> No Change from previous Report <input type="checkbox"/> Status Update Included: <i>(Describe below, current status and default completion plans)</i>
SBA'S RESERVE AMOUNT \$:	SURETY RESERVE AMOUNT \$:
<b>B. SUBROGATION ACTIVITY</b> <i>(Explain in Section C., below, or attach a separate sheet if, necessary.)</i>	
<input type="checkbox"/> Litigation Pending <input type="checkbox"/> Payments being made	<input type="checkbox"/> Settled for \$: <input type="checkbox"/> None – Bankrupt/Defunct
<input type="checkbox"/> No Change from last report <input type="checkbox"/> Approval requested to Close Final <input type="checkbox"/> Firm Collateral Held \$:	
Other anticipated recovery from salvage, indemnities, etc. \$:	
<b>C. EXPLANATIONS, COMMENTS, ADMINISTRATIVE ACTIONS</b> <i>(Attach additional sheet if warranted.)</i>	
<b>D. SBA/SBG CLAIM PAYMENT RECOMMENDATION, REVIEW, APPROVAL, AND AMOUNT OF CLAIM APPROVED</b> <i>(SBA USE ONLY)</i>	
THIS REQUEST IS HEREBY APPROVED FOR PAYMENT IN ACCORDANCE WITH SBA REGULATIONS.	
AMOUNT REQUESTED \$:	AMOUNT APPROVED \$: EFFECTIVE DATE <i>(SBA Received):</i>
Recommended By (Signature/Title/Date)              Reviewer (Initials/Date)              2 <sup>nd</sup> Reviewer (Initials/Date)              Approving Official (Signature/Title/Date)	



**INSTRUCTIONS AND CLARIFICATION  
OF SELECTED FORM 994H ITEMS**

**General**

1. This form may be used to report the default of an SBG contractor, claim for reimbursement, recovery, as well as for periodic status reporting in accordance with the terms of SBA's Surety Bond Guarantee Agreement. If a different format is used, all information requested on 994H Form must be provided.
2. This form is to be completed by Prior Approval Sureties. This form may be completed electronically in the Capital Access Financial System (CAFS) located at <https://www.sba.gov/partners/surety-bond-partners-agents/operate-surety-partner-or-agent>. If the form is prepared electronically, the completed form must be downloaded, printed and signed and then uploaded into CAFS. Alternatively, If CAFS is unavailable a paper copy of the form is available on the Office of Surety Guarantees (OSG) website at <https://www.sba.gov/partners/surety-bond-partners-agents/operate-surety-partner-or-agent> where it may be printed, completed, signed and mailed to the OSG office at 409 3rd Street, S.W. Suite 8600 Washington, D.C. 20416.
3. A separate SBA Form 994H must be used for each bond in default/claim status. An additional sheet/letter may be attached for more detailed reporting.
4. If this is an initial default/claim notice:
  - i. Provide a detailed report including the percentage of completion, remaining contract funds, methods of selecting completion contractor, description of how claim situation arose, present condition, surety's plans for resolution and salvage, anticipated loss.
5. Submitting the requested information is voluntary, but failure to do so could affect processing of your claim.

- 
- Section A. – "990 Date" is the date SBA Form 990, "Surety Bond Guarantee Agreement," was signed by SBA Official.  
– DEFAULT REASON CODES:

<u>CODE</u>	<u>CODE</u>
1. Underbidding	14. General's subcontractor in default
2. Weather/natural disasters	15. Sub's General in default
3. Shortage in critical materials/ Delays in receiving same	16. Possible sub-busting on part of general
4. Alleged embezzlement	17. IRS lien
5. Financial mismanagement	18. Sub's General behind Schedule
6. Incompetence/poor workmanship	19. Unforeseen physical obstacle
7. Union strike/labor trouble	20. Shortage of labor
8. Illness or death of key employee	21. Principal fails to appear at job site to begin work
9. Walked off job	22. Fire damage
10. Dispute with obligee	23. Materialman lien
11. Possible fraudulent operation on part of principal	24. Labor lien
12. Despondency	25. Principal failed to sign contract
13. Co-mingling of funds	26. Surety did not issue final bond
	27. Other

- 
- Section E. – List all loss items as well as funds deposited to a trust account. A separate accounting must accompany any request for reimbursement of loss incurred via a trust account. Such accounting must provide the source of all deposits to the account, and the disposition of all funds from the account (by date, draft number, payee and amount). Any balance remaining in the account or any amounts not accounted for as expenditures comprise the trust account balance and are to be included in Section G. as "Undisbursed Trust Account Balance."

- 
- Section F. – List all recovery items received by the Surety. Also, list as recovery, all trust account remaining balances returned by the trustee.

- 
- Section G. – The "Undisbursed Trust Account Balance" is reduced to zero when the remaining balances are returned by the trustee. See instructions for Section E., above.  
– The "Total of Loss Disbursements" is the total amount from Section E., "Itemization of Surety Loss."  
– The "Total Loss Disbursements Previously Reported" is the combined total of loss disbursements itemized and previously reported.  
– The "Deductible Amount" is 80% of the Premium amount up to \$500 for Guarantee Agreements written on/after April 21, 1976.
- 

**PLEASE NOTE:** The estimated burden for completing this form is 15 minutes.. You are not required to respond to any collection of information unless it displays a currently valid OMB Control number (3245-0007). Comments on the burden should be sent to U.S. Small Business Administration, Records Management Division, 409 3<sup>rd</sup> St., SW, Washington DC 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202 Washington, DC 20503. **PLEASE DO NOT SEND COMPLETED FORMS TO OMB.**