

Form RD 440-24
(Rev. 6-02)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OBM NO. 0575-0015
Exp. Date: MM/DD/YY

Bond No. _____

POSITION FIDELITY SCHEDULE BOND

PART I - DECLARATIONS

Name and Address of Insured

Name and Address of Surety

Bond Period:

Subject to conditions of section 1 of part IV, this bond is effective on: _____, 20____
at 12 midnight and will continue until cancelled by either party.

Schedule of Employees and Limit of Liability:

Each of the persons occupying any position named in the following schedule, or added as provided, in section 2 or 3 of part IV is an insured employee. The liability of the surety shall not exceed amount of indemnity stated opposite the position occupied by the employee in the following schedule or added as provided in this bond. The cumulative limit of liability of the surety is limited to the highest amount of indemnity shown below for any insured employee, whether or not the loss is attributed to more than one employee.

Position	Location	Total Number of Employees in each Position	Amount of Indemnity on each Employee	Premium

The terms and conditions of the following riders are incorporated into this bond:

The Surety and Insured agree to terminate or cancel the following bond(s) or policy(ies) at the time this bond becomes effective:

Notices:

All notices, acceptances, and requests required by the provisions in this policy will be sent to the insured and surety at the addresses shown in this bond. All notices and requests that are required to be sent to the United States of America will be sent to the following address: Rural Development _____

Signed and sealed on: _____, 20____

Company

By: _____

Name: _____

Title: _____

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 0575-0015. Public reporting for this collection of information is estimated to be approximately 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are voluntary. However, in order to obtain or retain a benefit, the information in this form is authorized under 7 CFR Part 1942, Subpart A - "Community Facility Loans." Rural Development has no plans to publish information collected under the provisions of this program. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Rural Development Innovation Center, Regulations Management Division at ICRMTRequests@usda.gov

PART II - INSURED AGREEMENT

The Surety, in consideration of the payment of the premium, and subject to the declarations made a part hereof, the General Agreements, Conditions and Limitations, and other terms of this bond, agrees to indemnify the Insured against any loss of money or other property belonging to the Insured or in which the Insured has a pecuniary interest or which is held by the Insured as bailee, trustee, or agent or in any other capacity or whether or not the Insured is liable for the loss thereof which the Insured shall sustain and discover as provided in section 1 of the Conditions and Limitations through any fraudulent or dishonest act or acts committed by any of the Employees occupying any position named in the Declarations (Part I), or added thereto as hereinafter provided, whether acting alone or in collusion with others, not exceeding, however, the amount of indemnity stated opposite the name of such position in said schedule or any applicable additions and subject to the cumulative limit of liability contained in part I.

PART III -GENERAL AGREEMENTS

METHOD OF CLAIM PAYMENT

A. Settlement of any claim shall be made by check or draft payable to the Insured.

LOSS UNDER PRIOR BOND OR POLICY

B. If this bond is substituted for any prior bond or policy of insurance carried by the insured or predecessor in the interest of the insured, the following conditions shall apply:

- (1) Surety agrees this bond applies to any recoverable loss covered by a prior bond or policy that is discovered as provided in Section 1 of the Conditions and Limitations (Part IV) of this bond;

- (2) The indemnity afforded by this General Agreement shall be a part of, and not in addition to, the amount of insurance afforded by this bond;
- (3) Such loss would have been covered under this bond had it been in force when the acts or defaults causing such loss were committed; and
- (4) Surety's liability will not exceed the lesser of the amount recoverable under either this bond or any prior policy or bond incorporated into this bond.

PART IV - THE FOREGOING INSURING AGREEMENT AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

BOND PERIOD, DISCOVERY

Section 1. This bond shall be effective from the beginning of the date set forth the Declarations, standard time at the address of the Insured, and shall be in force (a) as to any Employee occupying any position named in said schedule during the period from the time set forth in Part 1, and (b) as to any Employee occupying any position added to said schedule, as hereinafter provided, during the period from the beginning of the effective date of such addition and in either case continuing as to any such Employee until:

- (1) The termination of employment of such Employee;
- (2) The termination of cancellation of this bond as to such Employee or Position as provided in section 9; or
- (3) The termination or cancellation of this bond as an entirety as hereinafter provided;

whichever shall first happen.

Loss is covered under this bond only if discovered and reported during the bond period or within two years after the bond is cancelled. Subject to General Agreement (B)(3), this bond applies only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Bond Period by any of the Employees.

ADDITIONS TO SCHEDULE

Section 2. If the Insured shall request the Surety to add to the Schedule the name of any Position not named therein, and the Surety shall elect to do so, the surety shall add the name of the Position to Schedule by written acceptance, setting forth the amount of suretyship and the time from which it will be effective.

NEW POSITION-SAME DESIGNATION

Section 3. If any new Position bearing the same designation as that of any Position named in the Schedule or any acceptance notice shall be created by the Insured, such new Position shall be automatically added to the Schedule as of the effective date of creation thereof and in the amount set opposite the Position so named in the Schedule or the acceptance notice, provided the Insured gives the Surety written notice of the creation of such Position within ninety (90) days after the date of creation thereof.

NEW POSITION-DIFFERENT DESIGNATION

Section 4. If any position is created by the Insured with a different designation from that of any position named in the schedule or prior acceptance notice, such position shall be automatically added to the schedule. Coverage in the amount of Ten Thousand Dollars (\$10,000) is effective upon creation of the new position provided the Insured gives the Surety written notice of the creation of the new position within 90 days after its creation, Surety's liability hereunder, if any, by reason of such notice shall terminate at the expiration of ninety (90) days from the date of creation thereof, unless prior thereto the Surety shall have added such position to said schedule and mailed Insured a revised schedule of employees and limit of liability.

NOTICE AND PROOF OF LOSS

Section 5. Within a reasonable time after discovery by the Insured of any loss hereunder, the Insured shall give the Surety written notice thereof, and within 180 days, or any extension thereof as may be requested by the Insured and agreed to, in writing, by the Surety, after such discovery shall file with the Surety affirmative proof of loss itemized and sworn to on forms furnished by the Surety.

RECOVERIES

Section 6. If the Insured shall sustain any loss covered by this bond which exceeds the amount of indemnity provided by this bond, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security, or indemnity taken by or for the benefit of the Surety) by whomsoever made, on account of such loss under this bond until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Surety.

LIMIT OF LIABILITY

Section 7. Regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the Surety shall not be liable under this bond on account of any Employee or their designated alternate for a larger amount, in the aggregate, than the amount stated opposite the position named in said Schedule occupied by such Employee or which is added thereto.

LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE

Section 8. With respect to loss caused by any Employee which occurs partly during Bond Period and partly during the period of other bonds or policies issued by the Surety to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Surety under this bond and under such other bonds or policies shall not exceed, in the aggregate, the amount of indemnity stated opposite the Position named in the Schedule occupied by such Employee or added thereto, or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

CANCELLATION

Section 9. This bond shall be deemed canceled as to future acts of any Employee:

- (a) Upon discovery of any fraudulent or dishonest act upon the part of such Employee with respect to the Insured. The Insured must immediately report such knowledge to the Surety;
- (b) Upon the resignation, or removal of such Employee; or
- (c) Or as provided in section 10.

Section 10. This bond shall be cancelled as of midnight of the date specified in a written notice to the Surety by the insured, with a copy to the United States of America. Notice must be delivered not less than 30 days in advance by either mail or personal service with written receipt of delivery.

LEGAL PROCEEDINGS

Section 11. No demand, suit, action, or proceeding of any kind to recover an account of loss under this bond shall be made or brought after the expiration of three (3) years from the cancellation of this bond as to the Employee or Employees causing such loss, or the cancellation of this bond as an entirety, whichever shall first happen, provided, however, that if such limitation for making a demand, bringing suit, action, or proceeding is prohibited or made void by any law controlling the construction of this bond, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

In witness whereof, the Surety has caused this bond to be executed on the Declaration page.