U.S. Small Business Administration

Surety Bond Guarantee Program

SBA.GOV/OSG

[SBA Surety Bonds for Small Businesses – YouTube]

SBA guarantees contract bonds

A variety of bond types and amounts:

1. **Bid**
2. **Performance**
3. **Payment**
4. **Maintenance**

For each government and private contract up to $6.5 million.

For each direct federal contract up to $10 million.

Evaluation based on capacity, capital, and character

Capacity (ability to complete the work) is based on experience in the field, key personnel experience, and day-to-day business management practices.

Capital is based on profitability and the quality of financial statements.

Character means the small business owner's personal credit history and business reputation.

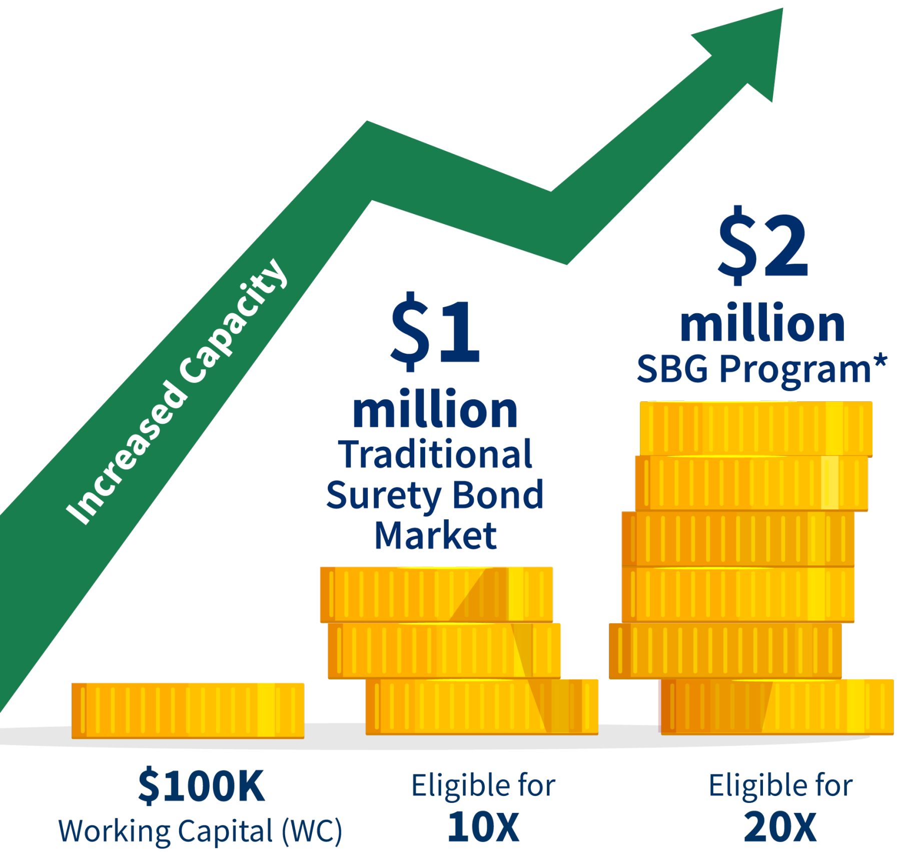
We help small businesses facing barriers to success by creating access and opportunity for them to qualify for contract bonding, increase bonding capacity, and grow their business.

Providing access and creating stability

Access to bid, performance, payment, and maintenance bonds.

Our guarantee allows small businesses to **qualify for more bonding.**

Benefits of SBA guaranteed bonds



Working capital requirement is about half what is normally required for contract surety bonds.

We count the unused portion of bank lines of credit (BLOC) as working capital.

Bond guarantees may be available on larger projects with internal financial statements.

Prior Approval Program and QuickApp = Fast decisions

Prior approval program delivers underwriting decisions in **2 days.**

QuickApp decisions within **24 hours** on bonds of **$400,000 or less**.

Program eligibility

Be a small business based on:

- Average annual revenues if construction, service or supply firm
- Average number of employees if manufacturer
- U.S. based, for profit firm with legal resident owners

Other requirements

- Possess good character
- Be current on public debts & taxes
- Eligible to do business with the federal government
- Pass underwriting standards
- Not involved in bankruptcy

Typical surety bond fees

Bid bond guarantee fees
are never charged by the SBA.

Contractor's fee
0.6% of the contract amount paid to SBA for the guarantee.

Surety premium
charge paid to the surety company for the bond.

Making an impact

We guarantee over $7 billion a year in contract bonds. Last year we helped over 1,600 small businesses obtain bonds.

SBG Program Surety Partners

Merchants Bonding Company. Common Sense Surety Since 1933

USIC Property & Surety

SureTec

Markel

IFIC Surety Group

Bondex Insurance Group

CF Crum & Forster. Est. 1822. A Fairfax Company

Liberty Mutual. Surety

RLI Different Works

Antilles Insurance

West Bend. A Mutual Insurance Company

Gray Surety

Insurors Indemnity Companies

The Cincinnati Insurance Companies

Hudson Insurance Group

Travelers

[intact insurance] surety

Nationwide is on your side

CNA Surety

AEGIS Security Insurance Company

Tokio Marine HCC

Old Republic Surety

UC&S

FCCI Insurance Group

Western National Insurance

The Service Insurance Company

Refer small businesses to an SBA-authorized surety agent

sba.gov/osg

SBA

Vera Hall, Small Business Owner

“The ability to get this type of bonding through the SBA’s Surety Bond Guarantee program allows you as a small business owner to realistically compete with larger corporations for contracts that you want and need to grow your business.”

Thank you!

Any questions?

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