

Surety Bond Assistance Program

TO BE INCLUDED IN ALL SOLICITATIONS WHERE
BONDING IS REQUIRED

Suggested Language:

Small businesses may qualify for assistance in obtaining bid, performance and payment bonds through the Maryland Small Business Development Financing Authority (MSBDFA). MSBDFA can directly issue bid, performance or payment bonds up to \$5 million. MSBDFA may also guarantee up to 90% of a surety's losses resulting from a contractor's breach of a bid, performance or payment bond or \$1,350,000, whichever is less. Bonds issued directly by the MSBDFA Surety Bond Program (Program) will remain in effect for the term of the contract. Bond guarantees will remain in effect for the term of the bond.

To be eligible for bonding assistance, an applicant must:

1. Have its principal place of business in Maryland or be a Maryland resident;
2. First be denied bonding by at least one surety in both the standard and specialty markets within 90 days of submitting a bonding application to MSBDFA;
3. Employ fewer than 500 full-time employees or have gross sales of less than \$50 million annually;
4. Not subcontract more than 75 percent of the work;
5. Have good moral character and a history of financial responsibility;
6. Demonstrate that the contract will have a substantial economic impact; and
7. Never have defaulted on any loan or financial assistance made or guaranteed by MSBDFA.

Applicants are encouraged to apply for assistance under the Program through their respective bonding agents. Questions regarding the bonding assistance program should be referred to:

Maryland Small Business Development Financing Authority
c/o Meridian Management Group, Inc.
826 East Baltimore Street
Baltimore, Maryland 21202
Phone 410-333-2548
Fax: 410-333-2552
Email: mmgdeal@mmggroup.com