



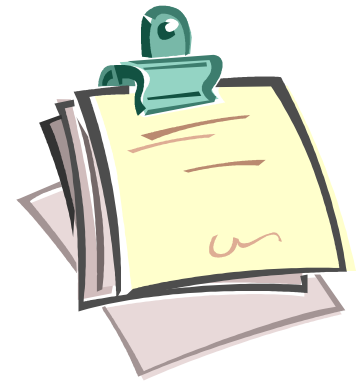
The SBA Bond Program

Presented by
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President

**Preferred Bonding
& Insurance Services**
www.preferredbonding.com

Toll Free 855- U-Bonded

Marketing Your Account



Financial strength is measured and package is sent to appropriate market:

- **Standard**
- **Specialty**
- **Non-Standard**
- **Rapid Bonds**

Underwriting Criteria per Market

Rapid Bonds.....

- Excellent Credit, limited bonds

Standard.....

- Good Credit, Lines of Credit, Track Record, Surety Experience, CPA Reviewed F/S

Specialty.....

- Good Credit, Track Record, Transitional Surety Experience, CPA Compiled F/S

Sub-Standard.....

- Collateral, Will take In-house F/S



U.S. Small Business Administration Bond Guarantee Program

U.S. Small Business Administration: Bond Guarantee Program

“Well Kept Secret”



U.S. Small Business Administration Bond Guarantee Program

What is it?

Federal guarantee program that opens doors to opportunities for construction firms who are having difficulties obtaining bonding on their own

SBA's program understands the need of small emerging firms & their underwriting is a reflection of those needs



U.S. Small Business Administration Bond Guarantee Program

How Does It Work?

- Guarantees bid, performance, and payments bonds issued by a surety company
- Your business must classify as small
- Average revenue/receipts over the last three years
 - general contractors \$33.5 million
 - sub- trade \$14 million



U.S. Small Business Administration Bond Guarantee Program

- MBE, WBE, DVBE, 8(a), Hubzone Certified, obtain a **90%** bond guarantee of the Total Contract Amount.
- SBE firms obtain a **80%** bond guarantee of the Total Contract Amount



U.S. Small Business Administration Bond Guarantee Program

Surety with SBA **Enhancement**

1. Generous to Start-up Firms
2. Promotes Growth
3. Owners or Key Employee Prior Experience Certificate
4. Good Credit/Poor Credit

Surety without SBA **Enhancement**

1. Limits are kept at minimum to avoid claims
2. Promotes growth, at a slower pace
3. Prior Work Experience not Accepted; company track record only
4. Will not underwrite accounts with poor credit history



U.S. Small Business Administration Bond Guarantee Program



A B C-----Anaheim, **B**akersfield, **C**hula Vista
D E F-----Del Mar, **E**scondido, **F**resno,
G H I-----Glendale, **H**ayward, **I**mperial Beach,
J K L-----Jackson, **K**erman, **LAUSD**,
M N O----Modesto, **N**ational City, **O**ceanside,
P Q R S--Poway, **R**iverside, **S**an Diego,
T U V-----Torrance, **U**pland, **V**isalia
W X Y Z---West **C**ovina, **Y**ucaipa.....

NATIONWIDE!

All Counties, Cities, States, Federal, & Commercial Projects



U.S. Small Business Administration Bond Guarantee Program

- A Single Maximum Bond Limit Of **\$6,500,000**
- OR Up To **\$10,000,000** On Federal Projects
(Under Certain Conditions)
- Quick Bond Program
 - Contracts Under \$250,000
 - Liquidated Damages Under \$1,000
 - *No Minimum Credit or Financials Required*



U.S. Small Business Administration Bond Guarantee Program

- Business contacts an SBG admitted agent for assistance
- Agent evaluates business's credit, character, and capacity
- Agent submits business to participating SBG surety for approval

Note: Surety must agree to bond the business & project prior to request for SBA guarantee. Surety may bond a business with or without our and SBA guarantee or decline to bond the business if they do not qualify

- Agent submits bond guarantee application electronically (with required uploads and originals to the area office) after receiving surety's approval and securing required SBA forms & executed GIA from business

Bond Limits

Based on Financial Strength &
Quality of Financial Statement:

- In-house
- CPA Compiled/Reviewed

Single Size Limit is based on
Working Capital:

$$\begin{aligned} & \text{Current Assets} - \\ & \underline{\text{Current Liabilities}} \\ & = \text{Working Capital} \end{aligned}$$

Aggregate Limit is **GENEROUS**



Questions???



Contact Information

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