

J. Ryan Bonding, Inc.

P.O. Box 465 / Hudson, WI 54016 / Phone: 800-535-0006 / Fax: 800-501-0989

Collateral Guidelines

Collateral can be provided in one of the following forms:

Cashiers Check: Checks need to be made payable to Northern Escrow, Inc. The escrow company holds funds until Surety authorizes release.

Irrevocable Letter of Credit (ILOC): Condition set by the Surety Underwriter requiring a percent of the contract amount be secured with an ILOC. It requires a specific form be used and submitted to your bank. (The Granite Re, "sample form" can be found online. For other sureties, please call the office.) Provide J. Ryan Bonding a draft copy of the ILOC for approval prior to the original being sent to us. (NOTE that collateral is held at the Surety's discretion. Generally, the length of time it is held is 6 months from final completion or final payment date of the project.)

Escrow: Condition set by the Surety Underwriter, which means instead of you receiving checks for the progress payments directly from the owner, the owner will make their checks out to the escrow company. The escrow company will write checks to all material suppliers, subcontractors and to your company for your portion of the payment. Northern Escrow, Inc. will charge a fee of \$7.50 per thousand dollars of the contract amount for their services. This will be deducted from each progress payment as the funds go through.

*** Please visit our web site at www.jryanbonding.com to obtain any required forms ***