



SBA Information Notice

TO: All SBA Employees

**CONTROL
NO.:** 5000-
1169

SUBJECT: Surety Bond Guarantee Program -
Expiration of Recovery Act
Provisions and Permanent
Adoption of Size Standard

EFFECTIVE:
9/17/2010

Recovery Act Provisions Expire on September 30, 2010

The SBA Surety Bond Guarantee (SBG) Program revisions implemented by the American Recovery and Reinvestment Act of 2009 (Recovery Act) will expire on September 30, 2010. At that time, the temporary contract ceilings of \$5 million and \$10 million will expire and the maximum eligible contract amount will return to \$2 million. *See* 74 FR 36106 (July 22, 2009). For the Preferred Surety Bond (PSB) Program, Preferred Sureties must approve the application for a bond guarantee and enter it in the SBG System by 1:00 p.m. EST on September 29, 2010 in order to obtain the higher bond guarantee available under the Recovery Act. For sureties participating as Prior Approval Sureties, SBA must receive a complete application for such bond guarantee by close of business September 21, 2010 to ensure sufficient time for processing by the deadline. SBA cannot ensure that such applications received after September 21st will be processed by the deadline.

In addition, SBA is in the process of finalizing a rulemaking that will increase, subject to the availability of specific appropriations, the contract ceilings to \$5 million and \$10 million for bond guarantees with respect to major disasters. *See* 75 FR 21521 (April 26, 2010).

Surety Bond Size Standard

The Recovery Act also changed the SBG Program size standard by adopting the North American Industry Classification System (NAICS) codes. Under this provision, a business is small if it, together with its affiliates, meets the size standard corresponding to the NAICS code for the primary industry of the business concern in which such business, together with its affiliates, is engaged. SBA published a Direct Final Rule which permanently adopts the Recovery Act size standard. SBA received no comments on this rule, and it will become effective on October 1, 2010. *See* 75 FR 48549 (August 11, 2010).

EXPIRES: 9/1/2011

PAGE 1 of 2

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

Additional Information

Questions related to this Information Notice may be directed to Frank Lalumiere at (202) 401-8275 or Frank.lalumiere@sba.gov.

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