



SBA Information Notice

TO All SBA Employees

CONTROL NO. : 5000-1100

SUBJECT: *Recovery Act – Increase of Surety Bond Guarantee Amount to \$5 million*

EFFECTIVE: 3/27/2009

The American Recovery and Reinvestment Act of 2009 contains important revisions to the SBA Surety Bond Guarantee Program to assist small businesses. Among other revisions, contracts up to \$5 million (previously \$2 million) are eligible for an SBA bond guarantee through September 30, 2010. Necessary automation enhancements to accommodate this change have been completed, and SBA may now guarantee bid, payment and performance bonds for contracts up to \$5 million under the Prior Approval and Preferred Programs. Please note that Section 1604 of the Act states that none of the funds appropriated or otherwise made available under the Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. Further guidance will be issued on this subject shortly.

SBA is working on other changes to the Surety Bond Guarantee Program addressed in the Act, including making available bond guarantees of up to \$10 million on federal contracts where the contracting officer certifies that the bond guarantee is required.

Additional Information:

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

Frank Lalumiere Director, Office of
Surety Guarantees

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