



Bond Number \_\_\_\_\_

## SURETY BOND

**INSTRUCTIONS:** This bond must be issued by the representative (attorney in fact) of a corporation authorized to engage in the business of a surety in the Commonwealth of Virginia, is in good standing, and the penal sum of this bond must be within the limitation imposed by Virginia law. All blanks must be completed.

KNOW ALL BY THESE PRESENTS, That we \_\_\_\_\_  
(INSTITUTION)  
Whose address is \_\_\_\_\_  
hereinafter referred to as "Principal", \_\_\_\_\_  
and (NAME OF SURETY)  
a corporation organized and existing under the laws of the State of \_\_\_\_\_  
and duly authorized to do business in the Commonwealth of Virginia, having its principal office address at \_\_\_\_\_  
(STREET, CITY, STATE)

the Surety, are held and firmly bound unto the Commonwealth of Virginia, State Council of Higher Education, Obligee, in the penal sum of \_\_\_\_\_ (\$\_\_\_\_\_) to the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal desires to establish and operate a private postsecondary school under the provisions of Title 23, Chapter 21.1 of the *Code of Virginia* as amended;

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall operate its private postsecondary school in accordance with Title 23, Chapter 21.1 of the *Code of Virginia*, as amended, then this obligation shall be null and void; otherwise it shall remain in full force and effect. It is the express condition of this bond to indemnify any of the Principal's students suffering loss of tuition and fees in the event of the closing of the Principal's educational institution for any reason whatsoever, as well as its failure to honor its published policy governing refunds of tuition and fees. Provided, however that the Surety's cumulative liability shall not exceed the penalty stated above. The bond shall be renewed and adjusted annually on the renewal date of the annual certification, and new evidence of surety shall be filed with the State Council of Higher Education for Virginia. Any student of Principal asserting a claim within the condition of this bond shall have the right in his or her own name to maintain an action against Surety in the event of Principal's default.

**PERIOD OF BOND:** \_\_\_\_\_, 20 to \_\_\_\_\_ 20 ; provided, however, that Surety shall not be released of any liability of claim arising during said period, whether or not SCHEV makes any demand of such claim during said period.

In WITNESS WHEREOF,  
Principal and Surety have caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_

PRINCIPAL, by \_\_\_\_\_ / \_\_\_\_\_  
Signature of Principal's authorized representative (Typed Name)

SURETY \_\_\_\_\_ / \_\_\_\_\_  
Signature of Attorney in Fact (Typed Name)

## SEAL OF SURETY

(Place seal in the space above)

**Mail original to the State Council of Higher education. Keep copy for your records.**

# SURETY INFORMATION AND BOND CHECKLIST

## PART I

### SURETY INFORMATION

#### Types of Surety

Surety may be in the form of a surety bond or a clean irrevocable letter of credit (LOC).

#### Amount of Surety

The bond or LOC shall be adequate to provide refunds to students for the unearned non-Title IV portion of tuition and fees for any given semester, quarter or term and to cover the administrative cost associated with filing a surety claim. The surety instrument shall be based on the non-Title IV funds, which have been received from students or agencies for which the education has not yet been delivered. Contact SCHEV's certification manager for additional information.

## PART II

### BOND CHECKLIST

**INSTRUCTIONS:** Each box below corresponds, sequentially, to each blank to be filled on the bond form. Check each box to make sure bond form is complete.

- Bond number is listed on the top right hand corner of the bond.
- The exact legal name of institution is listed as it appears on the institution's approval or corporation's name doing business as (d.b.a.) exact legal name of school.
- The correct location of the institution is listed as it appears on the institution's approval.
- The name of the surety insurance company, (not agency) is given.
- The state in which the insurance company does business is given.
- The street, city, and state of the insurance company are given.
- Amount of bond is given.
- Period of bond is given.
- Date bond was written is given.
- Signature and typed name of institution representative is given.
- Signature and typed name of insurance company representative (attorney in fact) is given.
- Seal is stamped on the space provided.
- The original bond was mailed to the State Council of Higher Education (Institution should keep a copy and insurance agency should keep a copy).