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## Collateral Guidelines

Collateral can be provided in one of the following forms:

- **Cashiers Check** – Checks need to be made payable to *Northern Escrow, Inc.* Funds are held by the escrow company until the Surety authorizes release.
- **Irrevocable Letter of Credit (ILOC)** – The Surety requires a specific form (see attached). Please provide Pate Bonding, Inc. a draft copy of the ILOC for approval prior to an original being sent.

Please note that the collateral is held at the surety's discretion. Generally, the length of time it is held is based on the statute in the state in which the work is being performed. The statute governs the period of time in which a valid claim can be filed against a bond. As an example, based on Minnesota State Statute, collateral is generally held by the Surety for 120 days past the date of acceptance as verified in writing by the Owner or, if written verification cannot be made, 120 days from the date of final payment.