



National Association of Surety Bond Producers

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Submitted via email to: bruce.sharp@fiscal.treasury.gov

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Mr. Bruce A. Sharp
Bureau Clearance Officer
Department of the Treasury
Bureau of Fiscal Services
200 Third Street, A4-A
Parkersburg, WV 26106-1328
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RE: Affidavit by Individual Surety, OMB Number: 1530-0047

Dear Mr. Sharp:

On behalf of the National Association of Surety Bond Producers (NASBP), a national trade association of firms employing professional surety bond producers throughout the United States and its territories, I am writing in response to the information collection notice published in the September 28th issue of the Federal Register, concerning Standard Form (SF) 28, "Affidavit of Individual Surety." NASBP wishes to make the U.S. Department of Treasury aware of language included in Section 874 of the 2016 FY National Defense Authorization Act (NDAA), which specifically addresses the types of assets individual sureties may pledge to secure bonds. Section 874 will necessitate the development and implementation of new regulations governing the types of acceptable assets and the procedures governing the acceptance of such assets. FY 2016 NDAA passed the Congress last week and awaits the President's signature shortly.

This information collection requirement concerns the existing, but soon to be superseded, regulations with respect individual surety bonds. As part of the contracting officer's evaluative process, SF 28 is intended to position the contracting officer with necessary information to evaluate the natural person wishing to serve as surety and the acceptability of assets pledged to back those bond obligations. SF 28, however, has proven inadequate as a means to evaluate such sureties, as there are many instances where insufficient and often fraudulent individual surety bonds have been accepted by federal contracting agencies. NASBP is, in fact, aware of instances where contracting officers have not collected SF 28 forms or have collected SF 28 forms that were not fully completed, rendering them essentially pointless. In response to prior information collection notices on SF 28, NASBP has detailed numerous improvements to the form, which have not been implemented. Thankfully, within a year, the need for SF 28 in its current iteration will be rendered moot.

As mandated under Section 874 of the FY 2016 NDAA, assets pledged by individual sureties (non-corporate sureties) must be "eligible obligations," defined in 31 CFR Part 225, "Acceptable Collateral for Pledging to Federal Agencies," which is collateral limited to only public debt obligations of the United States Government whose principal and interest are unconditionally guaranteed by the United States Government. Those assets will then be placed in the direct care and custody of the federal government until the completion of the bonded obligation.

NASBP believes that the new law will mitigate, if not eliminate, instances where individual surety bonds are accepted with worthless assets or with assets that are beyond the control of contracting officials.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Mark H. McCallum", with a long, sweeping horizontal line extending to the right.

Mark H. McCallum
Chief Executive Officer