

Minority Surety Bond Guaranty Program

The Mississippi Minority Surety Bond Guaranty Program, administered by Mississippi Development Authority (MDA), strives to increase minority participation in construction and building trades contracts with federal, state, and local units of government, and their subsidiaries.

Often minority firms are unable to compete for this business because they cannot obtain the bid and performance and payment bonds required by government contracts. The Minority Surety Bond Guaranty Program assists these firms through surety bond Guaranties And Technical Assistance In Internal Management.

Eligibility

Eligible Minority Business owners include women and minorities that meet the qualifications below:

- Be in the construction or building trade business;
- Be a certified Minority Business Enterprise through the Minority Business Enterprise Division of the MDA;
- Have been in business at least one year prior to application;
- Have its principal place of business located in Mississippi;
- Meet experience and financial standards appropriate to the contract;
- Agree to subcontract no more than 75% of a qualified contract;
- Show reasonable evidence of inability to secure bonding under normal market conditions Eligible Projects Construction contracts with Federal, State and Local Units of Government.

Terms: Set by Financial Institution.

Amount: Maximum GUARANTY amount: \$175,000 for a company new to the program. Maximum GUARANTY increases up to \$250,000 after the first year in program. Maximum percentage (%) guaranty for any bond is 90%.

Rate: Set by Financial Institution.

How To Apply For Program

Eligible minority businesses should contact a participating financial institution to apply for program

Statute

The Minority Surety Bond Guaranty Program is authorized under Section 69-2-13(5) MS Code, Annotated.