

## For Immediate Release

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### **SFAA AND NASBP REQUEST EMERGENCY ACTION REQUIRING ACCEPTANCE OF ELECTRONIC EXECUTION OF SURETY BONDING DURING THE COVID-19 PANDEMIC**

**April 6, 2020, WASHINGTON, D.C.**— The Surety & Fidelity Association of America ([SFAA](#)) and the National Association of Surety Bond Producers ([NASBP](#)) urge federal, state and local officials, without delay, to issue [emergency action](#) regarding acceptance of the electronic execution and delivery of construction surety bonds and commercial surety bonds. “A majority of these construction surety bonds are required for infrastructure projects directly related to health, safety and the growth of our economy,” said SFAA President and CEO Lee Covington. “It is imperative to adopt a solution immediately for work on these critical projects to begin and continue, while maintaining important protections for small business construction firms, workers and taxpayers,” noted Covington.

“Commercial surety bonds have an equally important impact and provide financial security for millions of workers across the country through, for example, license and permit, guardian and conservatorship, appeal, lease, utility and public official bonds,” commented NASBP CEO Mark McCallum. “Requiring traditional notarization would halt the ability for these protective bonds to be issued, leaving thousands of officials, individuals and businesses at risk.”

The SFAA and NASBP issued a joint [Request for Emergency Action](#) to federal, state and local officials outlining their position. They urge that e-signatures and e-corporate seals be accepted where public officials are not already accepting these electronic forms. SFAA and NASBP do not recommend Remote Online Notarization (RON) as a practical, workable solution in this environment, because it is not yet widely adopted, and in states that have authorized RON, it requires pre-certification and registration. The memo urges officials to issue the following guidance for construction and commercial surety bonds due to the COVID-19 pandemic:

1. With respect to all construction bonds, public procurement officials shall accept all bonds and powers of attorney containing e-signatures and e-corporate seals affixed to each document, and waive the notary requirement.
2. With respect to all commercial surety bonds, government officials shall accept all bonds and powers of attorney containing e-signatures and e-corporate seals affixed to each document, and waive the notary requirement.

“By immediately implementing these actions, I am confident surety bonds will continue to provide the protections needed to facilitate and expedite the critical contracting process required for necessary business and construction services during this crisis,” continued Covington. McCallum added, “some public authorities already have recognized the need to address these issues now, but the magnitude of the current crisis requires a more expansive, expedient and uniform adoption.”

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***The Surety & Fidelity Association of America (SFAA)** is a trade association of more than 425 insurance companies that write 98 percent of surety and fidelity bonds in the U.S. SFAA is licensed as a rating or advisory organization in all states and it has been designated by state insurance departments as a statistical agent for the reporting of fidelity and surety experience. [www.surety.org](http://www.surety.org)*

*Founded in 1942, the **National Association of Surety Bond Producers (NASBP)** is the association of and resource for surety bond producers and allied professionals. NASBP members specialize in providing surety bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. [www.nasbp.org](http://www.nasbp.org)*