

Indiana Grain Buyers & Warehouse Licensing Agency

Guidelines for use of **IRREVOCABLE LETTERS OF CREDIT** *for bonding purposes*

The Indiana Grain Buyers and Warehouse Licensing Agency can accept, in lieu of a surety bond or cash deposit, an Irrevocable Letter of Credit.

As published in the Indiana Administrative Code **Title 824 I.A.C. 2-4-4(c)**;

An irrevocable letter of credit filed under the Act shall contain the following:

- (1) Be issued by a financial institution insured by Federal Deposit Insurance Corporation.
- (2) Be payable to the director of the agency.
- (3) Give a ninety (90) day notice prior to cancellation.
- (4) Continue the coverage for 18 months after the termination of the license.
- (5) Be issued for a minimum of one year.
- (6) Be renewable.
- (7) Demand for payment shall be the finding of fact and final order issued under administrative law by the director.

NOTE: An irrevocable letter of credit is to be issued in the dollar amount required.