

STATE OF TEXAS
SURETY BOND OF SCHOOL AUTHORIZED TO CONFER DEGREES
UNDER A CERTIFICATE OF AUTHORITY/AUTHORIZATION

Surety bond #: _____

We, _____, as Principal (herein referenced as “Principal,” “School,” or “Institution”), and _____, a federally insured financial institution with authority to operate in the State of Texas as Surety (herein referenced as “Surety”), are held and firmly bound unto the State of Texas for the use and benefit of the Texas Higher Education Coordinating Board (herein referenced as “THECB,” or “Obligee”), in the sum of \$_____ lawful money of the United States of America to be paid as provided in Texas Administrative Code, Title 19, Part I, Chapter 7, Subchapter A, Rule 7.16 Financial Protections for Student Tuition and Fees, for which payment well and truly to be made, we bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by this agreement.

WHEREAS, the above-named Principal wishes to confer degrees subject to the oversight of THECB, and is required to obtain and file a bond in the sum of \$_____ with good and sufficient surety as required pursuant to Texas Administrative Code, Title 19, Part I, Chapter 7, Subchapter A, Rule 7.16 to demonstrate the Principal is financially sound and capable of fulfilling its commitments to students. The surety bond amount includes THECB administrative costs associated with processing claims.

This bond shall be one continuing obligation, and the liability of the Surety for the aggregate of any and all claims which may arise hereunder shall in no event exceed the amount of the penalty of this bond. The bond shall become effective on _____.

This surety bond is subject to the laws of the State of Texas, which will control in the event of a conflict of laws. Any legal actions arising out of or because of this surety bond shall be brought in courts having jurisdiction in Travis County, Texas, regardless of where the parties are geographically located.

This bond shall be subject to the following:

1. The bond shall be continuous until released by the Obligee.
2. The Surety is liable under the bond until THECB releases the bond.
3. THECB reserves the right, at any time, to terminate this bond, except as to any liability already incurred or accrued, by 30 days of written notice of such termination to Surety. Such cancellation shall not limit the responsibility of the Surety for liability incurred or accrued prior to the date of termination.
4. For purposes of this bond, a Texas student or enrollee is defined as either a student residing in Texas and enrolled in classes at any Texas site of the School above, including a campus, learning site or field-based education location, or a student residing outside of the State of Texas, but enrolled in classes at the School’s Texas site.

5. The amount of the bond or other allowable surety instrument submitted to the Board with an application for a Certificate of Authority shall be equal to or greater than the cost of providing a refund, including administrative costs associated with processing claims, for the maximum prepaid, unearned tuition and fees of the School for a period or term during the applicable school year for which programs of instruction are offered, including, but not limited to, on a semester, quarter, monthly, or class basis; except that the period or term of greatest duration and expense shall be utilized for this computation where the school year consists of one or more such periods or terms.
6. The Principal must provide education services in compliance with Texas Administrative Code, Title 19, Part I, Chapter 7, Subchapter A, Rule 7.16 all Texas state law, and any other applicable rules adopted by THECB.
7. THECB has the authority to determine if any student or enrollee of the Institution or his/her parent or guardian has suffered a loss of tuition or any fees as a result of violation of any minimum standard or as a result of the Institution ceasing operation.
8. Any student or enrollee of the Institution or his/her parent or guardian determined by THECB to have suffered a loss of tuition or any fees as a result of violation of any minimum standard or as a result of the Institution ceasing operation may apply to THECB for reimbursement of the amount of unearned tuition and fees.
9. If THECB determines any student or enrollee of the Institution or his/her parent or guardian has suffered a loss of tuition or any fees as a result of violation of any minimum standard or as a result of the Institution ceasing operation, THECB may require the Surety to reimburse such tuition or fees to the student, enrollee, parent or guardian.

IN WITNESS WHEREOF, the Principal and Surety execute this agreement. The Surety fully authorizes its representatives in the State of Texas to enter into this obligation.

SIGNED, SEALED AND DATED this _____ day of _____, 20__.

Surety by:

Principal by:

Company Name

Name

Signature

Signature

Title (e.g. Attorney-in-Fact)

Title

Address

Address

City

State

Zip

City

State

Zip

**SEND BOND TO:
Texas Higher Education Coordinating Board
PO Box 12788
Austin, TX 78711-2788
Telephone: (512) 427-6101**