



Don't miss out on publicly-funded jobs because you are not bonded or don't have a sufficient bond line.

You have an advantage as a local contractor bidding on public jobs. Below is some information that directly affects whether or not you will qualify for a bond line, how much you will qualify for and the rate you will be charged.

My contact details are at the bottom of this email, feel welcome to reach out with any questions or if I can help with any public jobs you are bidding on.

Have you ever wondered how your bondability is determined by an underwriter?

Financial strength and experience with jobs of similar scope and size are paramount, but good credit is also a key determinant of bondability.

As a contractor's bonded history grows, and they are looking to increase their line of authority, a solid credit score will serve as the backbone to the underwriter's perception of the account. Credit scores not only demonstrate positive financial habits but also show that the contractor is responsible. In fact, with good credit, a contractor can qualify for a single bonded job up to \$500,000, and a bonded aggregate program of \$1 million. In addition, strong credit can lead to higher bond limits, lower rates, and the elimination of controls such as collateral and funds administration. It is important for contractors to regularly monitor their credit score to better understand their current credit position.

So why should you monitor your credit score? Monitoring your credit score can help you be more aware of what lenders and underwriters see when you apply for loans or bonds. By regularly monitoring your credit score, you can better understand your credit position and even detect inaccurate or incomplete information.

There are many services that allow you to check your credit from each of the three credit reporting bureaus - Equifax, Transunion, and Experian. [This article from CNBC categorizes the best credit reporting services for 2021](#). Since credit scores are determined by several factors, each score may vary by company.

No matter which agency is used, credit scores are influenced by factors like: number of accounts, types of accounts, level of revolving utilization, your length of credit history, and most importantly, your payment history.

To maintain good credit, make sure to keep utilization on accounts low, pay on time, every time, and monitor your report regularly for errors or fraudulent activity.

If your credit score could use some improvement, consider consolidating your debts into a lower interest, single payment; improve your payment history by paying on time, every time; and be wary of opening any new accounts that could impact your length of credit history. Boosting your credit can take some time, but will ultimately strengthen your bondability and overall financial health.



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