

Office of Private Occupational School Education

SAMPLE LETTER OF CREDIT (FORM)

(Note to Bank: This letter of credit must be issued on bank letterhead and the bank must be chartered within the Commonwealth of Massachusetts. Please contact the Division of Professional Licensure for a corresponding instruction sheet for letters of credit or visit the DPL website at www.mass.gov/dpl/schools for a copy of the instructions.)

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUING INSTITUTION:
[Insert name and address of issuing bank]

EFFECTIVE DATE:

BENEFICIARY:
Commonwealth of Massachusetts
Division of Professional Licensure
1000 Washington Street, Suite 710
Boston, MA 02118-6100

MAILING ADDRESS:
Commonwealth of Massachusetts
Division of Professional Licensure
1000 Washington Street, Suite 710
Boston, MA 02118-6100

APPLICANT:
[Insert name and address of school]

To Whom It May Concern:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in favor of the Commonwealth of Massachusetts, Division of Professional Licensure (Division) for the account of [name of school] for the amount of USD \$[amount of surety] available by your draft(s) at sight, drawn on [name of issuing bank], accompanied by the following documentation:

A signed statement by the beneficiary, referring to the effective date and Number of this Irrevocable Standby Letter of Credit, and stating that:

We hereby certify that [name of school] has failed to meet its contractual obligation with the Commonwealth of Massachusetts, Division of Professional Licensure, agreed upon as specified under Massachusetts General Laws Chapter 112 § 263 or any other applicable statute.

This Irrevocable Standby Letter of Credit is effective [insert date] and shall expire at [name of bank and address] on [insert date that is one year from effective date].

This Irrevocable Standby Letter of Credit is deemed to be automatically extended and the date set forth in the immediately preceding paragraph shall be extended, without amendment for one (1) year from the expiration date or any future expiration date thereof, unless sixty (60) days prior to the then prevailing expiration date, we notify the Department in writing via certified mail, return receipt requested at the address listed for the Department above, that we elect not to renew the subject letter of credit for such additional period. Anything contained herein to the contrary notwithstanding this letter of credit will expire on [insert date up to five years from effective date].

Partial drawings not permitted.

All draft(s) must bear the following: Drawn under [Name of Bank] Letter of Credit No. _____.

We hereby agree with the drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this Irrevocable Letter of Credit will be duly honored upon presentation to the drawee.

This Irrevocable Standby Letter of Credit is non-transferable.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 and the laws of the Commonwealth of Massachusetts. In the event of any conflict, the laws of the Commonwealth of Massachusetts will control.

Very Truly Yours,

[Issuing institution] _____

BY: _____

TITLE: _____

DATE: _____

CORPORATE SEAL HERE