

Example of Acceptable Letter of Credit

Letterhead of Issuing Financial Institution

Date

Irrevocable letter of credit number: _____

USDA Forest Service (Beneficiary)

Local FS SO Address: **USDA Forest Service, 300 Glen Road, Gorham, NH 03581**

Gentlemen:

Name of issuing and paying institution has established an irrevocable letter of credit in your favor at the request of and for the account of Name of principal, to the extent of _____ U.S. dollars (\$_____)¹ to secure the _____² on contract, mineral operating plan or plan of operation, , permit, license or special-use authorization No._____.
_____.

Said funds are available by presentation of your sight draft(s) which clearly specify the number of this credit and are drawn in favor of USDA Forest Service for the secured obligation cited above.

Draft(s) drawn in conformity with the conditions of this credit will be honored by us if presented at our office (list location(s) if other than one cited in address) on or before Date.³ This letter of credit will be automatically extended without amendment for periods of one year from the then relevant expiry date unless at least 60 days prior to that relevant expiry date we notify you in writing, by certified mail or courier, that we elect not to extend this Letter of Credit. Upon receipt of such notice, you may immediately draw upon this Letter of Credit by means of your sight draft and referencing our letter of credit number.

¹ Must equal or exceed the penal sum which the letter of credit is pledged to secure.

² Enter bid, payment, or performance.

³ Must exceed the term of the project being bonded.

The deposits of Name of financial institution are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or National Credit Union Association.

(Corporate Seal) Sincerely,

Name of financial institution with byline
for signature of person authorized to sign
and their title

Notary