



For Immediate Release

SFAA Contact: Peter Roth, Vice President – Strategic Communications, Marketing & Research
Phone: (703) 401-0676 E-mail: proth@surety.org

NASBP Contact: Kathy Hoffman, Director of Communications
Phone: (240) 200-1278 | E-mail: khoffman@nasbp.org

SFAA and NASBP Commend U.S. House of Representatives for Accepting Surety Amendment to Maintain Miller Act Bond Threshold at \$150,000

Amendment prevents federal surety bond thresholds from further increases due to broad indexing rule, maintaining critical protections for taxpayers, subcontractors and suppliers.

September 28, 2021 (WASHINGTON, DC) – [The Surety & Fidelity Association of America \(SFAA\)](#) and the [National Association of Surety Bond Producers \(NASBP\)](#) commend members of the House of Representatives for passing H.R. 4350, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022. Each year, Congress authorizes appropriations for military activities of the Department of Defense (DoD), for such expenditures as procurement of military construction and for defense activities of the Department of Energy. For FY 2022, the House appropriated approximately \$740 billion in DoD spending.

During the floor consideration of H.R. 4350, the House of Representatives accepted an amendment offered by Rep. Nydia Velazquez (D-NY) and Rep. Byron Donalds (R-FL) to exempt the Miller Act from threshold increases based upon inflation as required by 41 USC §1908. Arbitrarily increasing the Miller Act bond threshold based on inflation exposes businesses, including smaller and disadvantaged businesses working as subcontractors and suppliers, to loss of vital payment protections on federal construction projects. Maintaining the bond threshold protects U.S. taxpayers by ensuring tax dollars are not being placed in jeopardy by the absence of performance bonds due to a rote inflationary adjustment.

“We commend the House for recognizing the essential role surety bonds play in the success of federal infrastructure projects,” said Lee Covington, SFAA president and CEO. “This bipartisan amendment maintains the Miller Act bond threshold at its current level, ensuring essential protections for subcontractors and suppliers continue to be required on all federal construction projects over \$150,000,” continued Covington.

“Construction is an inherently complex and risky undertaking, and the House of Representatives wisely has recognized that surety bond protections absolutely need to be present on all contracts at \$150,000 or more,” remarked NASBP CEO Mark McCallum. “Protecting use of precious taxpayer funds and preserving payments to the many businesses involved in federal construction projects as subcontractors and suppliers remain of the utmost importance, especially as the Nation seeks to address its critical and, in some instances, deteriorating infrastructure,” added McCallum.

###

Founded in 1942, the [National Association of Surety Bond Producers \(NASBP\)](http://www.nasbp.org) is the association of and resource for surety bond producers and allied professionals. NASBP members specialize in providing surety bonds for construction contracts and other purposes to companies and individuals needing the assurance offered by surety bonds. www.nasbp.org

[The Surety & Fidelity Association of America \(SFAA\)](http://www.surety.org) is a trade association of more than 425 insurance companies that write 98 percent of surety and fidelity bonds in the U.S. SFAA is licensed as a rating or advisory organization in all states and it has been designated by state insurance departments as a statistical agent for the reporting of fidelity and surety experience. www.surety.org