

Court Bonds

Court Bonds

Introduction

Put simply, *court bond* is a general umbrella term used for all bonds that are needed by individuals when they are involved in pursuing an action through a court of law. Court bonds can be divided into two main categories: judicial and fiduciary.

The main difference between the two is that a Judicial Bond promises payment of a sum of money that would be required in a court case, while a Fiduciary Bond only promises faithful and honest performance of a duty. By nature, Judicial Bonds are more hazardous than Fiduciary Bonds and usually require collateral in the amount of the bond.

Judicial Bonds are used when entering into a civil proceeding. The judicial bond category can be divided into two further categories: defendant and plaintiff.

Plaintiffs are those who originate the law suit. Plaintiff bonds are required to ensure protection of the defendant, should the plaintiff lose in the law suit. The plaintiff is liable for any damages the defendant suffers as a result of a lawsuit when legal action is resolved in favor of the defendant.

Defendants are those who a suit is brought against. Defendant Bonds are obtained by defendants to block a plaintiff's action or postpone a judgement. These bonds can also permit the defendant to regain control of a contested property.

Fiduciary Bonds can also be called Probate Bonds. Fiduciary Bonds are required of individuals who have been appointed in a court of law to care for another individual or another individual's assets. These bonds promise faithful performance of duties as stated by the court.

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Fiduciary/Probate Bonds

Administrator Bond

Fiduciary Bond

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An Administrator is a person appointed by a probate court when an individual dies leaving an estate but no will. An Administrator is appointed to oversee the deceased's assets. This includes paying off the deceased's creditors and taxes, as well as distributing the estate in the way the deceased would have liked to those who are entitled under law.

Whenever a second party is held responsible for another person's assets, there is an element of risk involved; there is not a guarantee that this person will use the funds in the estate appropriately. To help ensure the deceased's creditors and/or beneficiaries that the funds are not misused, a court may decide an Administrator Bond is necessary.

An Administrator Bond guarantees that the Administrator will properly use and disburse the estate according to law. Since duties are normally fulfilled within a year, the bond can be cancelled, or exonerated, at that time by the court.

When an estate contains real property, no proceeds of the sale of real estate by the Administrator shall be paid out until the court has deemed if any additional bond is required. Should an additional bond be required, no proceeds shall be distributed until said bond is on file with the court.

Also see [Executor](#) on Page 7.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Bond of Assignee for Benefit of Creditors

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

An Assignment for the Benefit of Creditors (also known as general assignment or ABC) involves the assignment of all of a company's assets to a third-party assignee. The assignee holds all legal and equitable title to the company's assets in trust, then conducts a sale of such assets, and then distributes those proceeds to the company's creditors. The assignee's duties are to be administered within one year unless the court grants an extension. An ABC is a tool that is used in place of bankruptcy.

The assignee might be required by the court to post an Assignees Bond in an amount set by the court. The bond amount is determined by the estimated value of the estate. Often times, the amount must be at least double the value of the estate.

This bond promises the faithful performance and discharge of duties by the assignee. This includes faithful accounting for money and property received under agreement of assignment.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Conservatorship Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

When an individual cannot manage their financial affairs, a Conservator might be appointed. A Conservator is a court-appointed fiduciary who takes care of real estate, manages bank accounts, and handles investments for an individual who can no longer manage those on his/her own.

A Conservatorship Bond is required of the Conservator when the court deems it necessary and in an amount decided by the court. Generally, the finances of the Conservatee are taken into consideration when deciding the bond amount. A Conservatorship Bond guarantees the Conservator will perform and fulfill his/her obligations ethically.

Conservatorship Bonds are usually considered long-term risks, so joint control may be required by the surety. (See [Joint Control](#) on Page 14).

A note on *Guardian* and *Conservator*: Sometimes the terms *Guardian* and *Conservator* are used interchangeably. In our experience, Conservators handle monetary matters, while Guardians handle the day-to-day. Some states, however, make no recognition of this difference and the terms are used interchangeably. (See [Guardian](#) on Page 8).

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Executor Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

An Executor is named in the last will and testament of a decedent. If an Executor is not named, the court will appoint an Administrator with will annexed (See [Administrator](#) on Page 4). Duties of the Executor or Administrator with will annexed include determining and paying the debts of the estate, and properly distributing the residue of the estate to those who are entitled to receive it.

An Executor or Administrator with will annexed is required to provide an Executor Bond in an amount deemed necessary by the court. The bond amount is determined by the factors of the case and the value of the personal estate.

If the will states a bond is not required, the court still might require one. Common situations where this might happen include if the Executor or Administrator with will annexed is a non-resident of the state having jurisdiction over the estate.

An Executor Bond guarantees that the Executor will administer the estate according to law. Duties are normally fulfilled within a year; the bond can be cancelled, or exonerated, at that time by the court.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Guardianship Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

When someone can no longer care for themselves, either because they are a minor (under 18 years of age) or incapacitated, a Guardian might be appointed. A Guardian is a court-appointed individual who cares for the well-being of someone else.

In the case of a minor, a Guardian is usually the primary caregiver. In the case of an incapacitated adult, a Guardian is usually in charge of providing medical treatment, monitoring caregivers, etc.

A Guardianship Bond is required of the Guardian when the court deems necessary and in an amount decided by the court. Generally the value of the estate is taken into consideration when deciding the bond amount. A Guardianship Bond guarantees the Guardian will faithfully perform and fulfill his/her obligations.

Guardianship Bonds remain in place the entire length of time the person being cared for needs such supervision. They are usually considered long-term risks, so joint control may be required by the surety. (See [Joint Control](#) on Page 14) In the case of a Guardianship Bonds for a minor, the surety requires premium to be paid up front for the term of the bond, until the child becomes of age.

A note on *Guardian* and *Conservator*: Sometimes the terms *Guardian* and *Conservator* are used interchangeably. In our experience, Conservators handle monetary matters, while Guardians handle the day-to-day. Some states, though, make no recognition of this difference and the terms are used interchangeably. (See [Conservator](#) on Page 6).

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Personal Representative Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

A Personal Representative is a person appointed by a court in a probate proceeding to administer the estate of a deceased person.

Responsibilities of a Personal Representative include marshalling and protecting assets, evaluating claims against the estate, paying creditors, reporting to beneficiaries and transferring property of a deceased person to their heirs at law or beneficiaries named in their will.

Generally, a Personal Representative is named in the will, but not always. State law will determine the priority of persons to serve as Personal Representative. Persons appointed by a deceased person's last will take priority. If there is no will or those persons are unable or are unwilling to serve, the priority will generally be spouse, children, next of kin, followed by representatives from state agencies.

A Personal Representative Bond is required to protect the beneficiaries of the estate. The bond protects against theft, fraud, misrepresentation, or improper handling of assets.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Receiver Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

A Receiver is an individual appointed by a court when a debtor fails to comply with the terms of a loan agreement, is deemed by the secured creditors to be in serious financial difficulties, or when certain events threaten the viability of a business therefore threatening the money owed by it. A Receiver is appointed to secure the assets, property, and control of a company pending a final decision by a court.

The Court of Common Pleas has jurisdiction to appoint Receivers. Temporary Receivers might be appointed without notice, if required by special circumstances. This can only happen if the plaintiff files a bond in an amount fixed by the court.

This bond guarantees the plaintiff will pay out on any damages sustained, as well as all taxable costs and fees involved in the case. When considering a permanent Receiver, the court may appoint two appraisers to inventory and take account of the assets of the defendant.

Before a Receiver (temporary or permanent) may act, he/she may be required to file a Receiver Bond. Receiver Bonds guarantee that Receivers will complete their duties ethically and honestly. Receiver Bonds are usually long-term risks.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Receiver In Bankruptcy Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

A Receiver in Bankruptcy is an individual appointed by a court to take over property of an alleged bankrupt individual. A Receiver is appointed between the filing of the petition of adjudication and either the dismissal or the appointment of a Trustee in Bankruptcy.

The duties of a Receiver in Bankruptcy are to obtain and keep possession of the alleged bankrupt individual's property.

A Receiver in Bankruptcy Bond may be required before a receiver can take over his/her duties. The bond amount will be fixed by the court.

These bonds are usually short in duration. The appointment of a Trustee (see [Trustee in Bankruptcy](#) on Page 13) terminates the receivership.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Trustee Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

Instead of passing on an estate outright, an individual might establish a trust or trusts for his/her beneficiaries. A trust under a will is called a *testamentary trust*. A trust established while the individual is living is called an *inter vivos trust*. An individual may assign someone as a Trustee by a deed or other instrument to manager the property and assets in the trust.

It is the duty of the Trustee to take control over the property and assets, and to administer them according to the terms of the trust. A Trustee Bond guarantees the trustee does this according to the trust and according to the law.

When a Trustee is named in a will or trust instrument, normally a Trustee Bond is not required unless expressly stated in the will or trust document. Sometimes, the court may require the Trustee to get bonded.

The court will determine the bond amount by taking into consideration assets that will come into the Trustee's possession. The bond runs until the termination of the trust.

The Trustee is required to file accountings with the court at regularly scheduled intervals, as stated in the will or trust. Many times, trusts can run for several years and outlast the Trustee's lifetime. The Trustee Bond cannot be discharged until the court has received and approved the final accounting, and exonerated documents are issued.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Trustee in Bankruptcy Bond

Fiduciary Bond

*For bonding requirements, see
Bonding Requirements on Page 36*

After a bankruptcy, if there are assets in an estate, a Trustee in Bankruptcy is appointed to handle those assets. This is for the benefit of the bankrupt party's creditors. Generally, the Trustee is elected by the creditors, but their selection is subject to court approval.

Upon court approval, the Trustee takes power over the property, converts it into cash, ascertains the claims of all creditors, and then properly distributes the proceeds accordingly.

A Trustee in Bankruptcy Bond guarantees that the trustee will faithfully perform his/her duties.

The bond amount is usually determined and fixed by the court, and the bond is typically terminated by the court within two years.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Joint Control

When a fiduciary bond is long-term—as in the bond will not terminate within three years—sureties can exercise control over some or all of an estate’s assets. This arrangement is called *Joint Control* because the surety and the fiduciary share control over the assets.

Joint Control requires the fiduciary to deposit estate cash in a joint bank account preventing the fiduciary from making withdrawals without the signature of an authorized surety representative. The fiduciary and surety might place securities and other valuables in a bank deposit box and specify that the box only be opened when both parties are present.

Joint Control protects the surety and the fiduciary. Since the fiduciary is responsible for the assets, Joint Control helps safe guard against losses because the surety must approve any transactions or investments made by the fiduciary.

Plaintiff Bonds

Attachment Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Attachments are used in court cases between a debtor (defendant) and a creditor (plaintiff). When a creditor is owed money, he/she might ask that the court have a sheriff seize the debtor's property. An Attachment is an order issued by the court to the sheriff (or other officer) which directs him/her to take into custody the personal property of the defendant before trial begins as a security for a claim.

Before an Attachment can be issued, the court may require the plaintiff to secure an Attachment Bond. The bond guarantees that the plaintiff will pay all legal costs, fees and damages sustained, if the court decides the action or grounds for Attachment were not necessary.

Foreign Attachment is an action used when the real personal property of a non-resident defendant is in question. Contents of a safe deposit box can also be attached. An Attachment Bond might be required in these situations.

The amount of the Attachment Bond will be determined by the court. However, oftentimes the bond amount must be double the amount claimed or double the estimated value of the property to be attached. The surety will usually require collateral to write this bond.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Claim and Delivery Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

See [Replevin](#) on Page 24.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Condemnation Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Railroad, telephone, pipe line companies, other public utilities, and public bodies are authorized, by law, to acquire privately owned lands, property, streams, water, water right, franchises, or materials for specified purposes. If the company cannot reach an agreement with the owner of the property, the matter is submitted to the court through what is known as a Condemnation Proceeding.

Condemnation is the process where private property is taken for public use. Condemnation can often be confused or interchanged with the term *eminent domain*. Eminent domain is defined as the power of the government to take private property for public use. Eminent domain is the power; condemnation is the process.

In order to avoid delaying the project until a final decision is made by the court, the company may take immediate control of the property. In most cases, they must file a Condemnation Bond first.

A Condemnation Bond guarantees payment to the owner of the property for damages as may be ultimately decided by the parties or awarded by the court. Collateral is almost always required when seeking a Condemnation Bond.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Cost Bond

Judicial Bond Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Before non-residents of a state may bring legal action to a court, he/she may be required to file a bond to guarantee the payment of any court costs that may be sustained during the trial. In some jurisdictions, residents may also be required to file a bond. This bond is called a Cost Bond.

A Cost Bond guarantees the plaintiff will pay court expenses including court fees, attorney fees, copy fees, deposition fees, computer legal research services fees, paralegal fees, private investigation fees, and costs in obtaining medical or government records.

Cost Bonds are typically nominal, but the amount will depend on the state and on the court. Whether or not collateral for this bond is required by the surety is dependent upon the amount of the bond and the requirements of the surety.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Indemnity to Sheriff Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

A Writ of Execution is a court order issued to enforce a prior judgment or decree issued by a court. In the event the defendant fails to follow through on the demands of the judgment, the plaintiff may petition the court for a Writ of Execution allowing assets belonging to the defendant to be seized by the sheriff's office.

Before a sheriff takes possession of any assets, the court may require an Indemnity to Sheriff Bond. The bond guarantees payment or reimbursement to the sheriff in the event of a loss, damages, or a wrongful seizure claim made by the defendant that may occur during or after the property is seized. This bond also protects law enforcement officers from being sued for the seizure of property that is subject to the writ of execution.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Injunction Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

An injunction is a writ or order issued by a court requiring a person or entity to refrain from a particular or threatened act. There are three types of injunctions:

- Temporary Injunctions are short-term measures. (See [Temporary Restraining Order](#) on Page 26). A temporary injunction stops a person or entity from carrying out an action until the court has made a decision.
- Preliminary Injunctions are granted before a trial has started. They state that the plaintiff will suffer extensive damage if the injunction is not granted. Security must be posted with the court, in case the injunction granted turns out to be an error.
- Permanent Injunctions (also known as Perpetual Injunctions) are a final order of a court stating that a person or entity must either permanently refrain from certain activities or take certain actions, usually to correct a nuisance.

When an injunction is granted, whether it be a temporary, preliminary, or permanent injunction, the plaintiff might be required to post an Injunction Bond. The bond amount is fixed by the court.

This bond guarantees that the plaintiff will pay court fees, costs, and damages sustained by the defendant if the court rules in the defendant's favor.

Bonds of this type are more hazardous than other plaintiff bonds and the court case must be evaluated closely before they are issued. Collateral might be required.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Garnishment Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Garnishment is the legal process that allows creditors to take money or property from a debtor to pay for a judgment. The most commonly garnished property is future wages and bank accounts. In a Garnishment, if there is a third party holding the debtor's property, they are referred to as the *Garnishee*.

Sometimes, before a final judgment is made, a plaintiff might want to secure the debtor's money or property to ensure that, once the lawsuit is finalized, they will be able to access the debtor's property, even if held by a Garnishee. To do this, the court might require the plaintiff to secure a Garnishment Bond.

Garnishment Bonds are similar to Attachment Bonds (See [Attachment](#) on Page 16). A Garnishment Bond guarantees that if the plaintiff prevails in the lawsuit, the defendant's property—even if held by a Garnishee—will be accessible to the plaintiff.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Petitioning Creditors Bond

Judicial Bond Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

There are two types of bankruptcy: voluntary and involuntary. With a voluntary bankruptcy, the bankrupt party acknowledges his/her insolvency and petitions him/herself into bankruptcy. With involuntary bankruptcy, he/she is petitioned into bankruptcy by creditors. Since there is a possibility that the individual may not actually be bankrupt, the court may allow a Petitioning Creditors Bond to be filed.

This bond is filed by the plaintiff and guarantees that if the creditor's petition is dismissed, the plaintiff will be paid costs, fees, expenses, and damages incurred from the petition.

A Petitioning Creditors Bond usually remains in force until the hearing is completed and the alleged bankrupt is either adjudicated or the petition is dismissed.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Replevin Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Replevin, also called Claim and Delivery, is an action used to recover possession of specific articles of personal property that have been wrongfully taken or detained by a defendant.

A Replevin Bond is sometimes required by a plaintiff and it allows him/her to take possession of the property in question before the trial begins. A Replevin Bond guarantees that the defendant will receive his/her property back if the court rules in favor of the defendant. The bond also guarantees that the plaintiff will pay all legal costs, fees, and damages sustained by the issuance of the Replevin.

The bond of the plaintiff is often double the value of the property replevied. Sureties will almost always need collateral before they can issue this bond.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Sequestration Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

Though Attachment Bonds (See [Attachment](#) on Page 16) and Replevin Bonds (See [Replevin](#) on Page 24) are the most common, there is another type of bond that can come into play in scenarios involving the seizure of a property: Sequestration Bonds.

A Sequestration Bond performs similar to an Attachment Bond or Replevin Bond, but an added effect to them is that they allow a sheriff or marshal to seize and hold a specific piece of property that a defendant is about to dispose of, sell, or remove beyond the court's jurisdiction. The bond allows the property to be seized before a judgement on the case is made. Usually, the property seized is held in the sheriff's or marshal's custody until the case has concluded.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Temporary Restraining Order Bond

Judicial Bond
Plaintiff

*For bonding requirements, see
Bonding Requirements on Page 36*

A Temporary Restraining Order (also known as a TRO) is a short-term injunction (See [Injunction](#) on Page 21) issued by a court to forbid a defendant from engaging with a plaintiff. The court may issue this order for any acts contrary to law and is prejudicial to the interests of the community or rights of individuals. This order is a form of relief for an offended plaintiff.

When a plaintiff files a TRO, the defendant might suffer hardship or loss because of the order (such as lost wages or loss of family time). In order to prevent these losses from affecting the defendant, the court may order the plaintiff to file a Temporary Restraining Order Bond.

A Temporary Restraining Order Bond guarantees that if the court fails to hold a hearing or decides the injunction should not have been granted, the plaintiff will pay any damages, taxable costs, and fees sustained by the defendant.

The bond amount is fixed by the court. These bonds are more hazardous than other plaintiff bonds and should be evaluated closely. Collateral might be required.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Defendant Bonds

Appeal Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

When a defendant loses in court, they might choose to appeal the decision to a higher court, usually to stay execution of the judgment. When this happens, the court might require the defendant to secure an Appeal Bond.

An Appeal Bond guarantees that the defendant will pay the judgement, interest, court costs, and attorney fees if the higher court upholds the lower court's decision, even if the higher court's decision is for a lesser amount. Appeal Bonds can also be called Supersedeas Bonds.

Appeal Bonds are usually in the amount of the original judgement, but the court could require the amount to be more. Appeal Bonds remain in effect until the litigation has been finalized, and while this is often accomplished in a year, these bonds sometimes remain in effect for longer periods of time.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Cost on Appeal Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

When a plaintiff appeals a court decision, some jurisdictions require the plaintiff to furnish a Cost on Appeal Bond.

This bond guarantees that the appeal will be prosecuted without unnecessary delay and, if the original ruling is upheld by the higher court, the plaintiff will pay all court costs.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Counter Replevin Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

Replevin, also called Claim and Delivery, is an action used to recover possession of specific articles of personal property that have been wrongfully taken or detained by a defendant (See [Replevin](#) on Page 24). Oftentimes, the plaintiff must furnish a Replevin Bond before taking this action.

A Counter Replevin Bond is taken out by the defendant, instead of the plaintiff, which allows him/her to regain possession of the property that was originally obtained by the Replevin Bond.

This bond is usually equal to an amount that is 1.25 times the value of the property and collateral is usually required.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Discharge Attachment Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

A defendant whose property has been attached (see [Attachment](#) on Page 16) may desire to have it released without waiting for trial or outcome a legal proceeding. This is called Discharge Attachment or Release Attachment. Discharge Attachments are primarily used when the court calendar is crowded, or if the defendant believes he/she will be hindered by the Attachment of the property.

Before a Discharge Attachment is granted, the court may require that the defendant obtain a Discharge Attachment Bond. The bond promises that the defendant will pay the plaintiff any amount the court finds the plaintiff is entitled to, including any interest or fees incurred.

Discharge Attachment Bonds are usually in double the amount claimed, or in lesser amounts if the court orders. In most cases, collateral is required when securing this bond from a surety.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Discharge of Mechanic's Lien

*For bonding requirements, see **Bonding Requirements** on Page 36*

Mechanic's Lien is a lien issued in favor of a builder, contractor, subcontractor, or suppliers who have furnished labor or materials for the construction/improvement of a property. The lien attaches to the land, as well as the building.

The mechanic's lien is created by law, and is intended to be a security for the price and value of work performed and materials furnished. As such, it attaches to and exists on the land and the building constructed/improved upon, starting from the time that the labor is being performed and the materials are furnished.

The final determination of the amount owed to the contractor is pending, the owner of the property may discharge the lien by posting a bond. This bond is called a Discharge of Mechanic's Lien Bond.

The bond allows property owners to do with their property as they wish, as though a lien was not present. The word discharge can cause confusion. A Discharge of Mechanic's Lien Bond does not extinguish the mechanic's lien entirely. It discharges the lien from the property and attaches it to the bond.

The bond guarantees that the property owner shall pay the contractor all amounts owed upon final determination by the court. These bonds are always at least 110% of the lien's face value, and are often times double. Full collateral is often required for this bond.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Rate Refunding Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

Utility companies generally need to get approval from the public in order to increase their rates. In some jurisdictions, a utility company can increase its rates before a court or other regulatory authority determines that the increase meets legal guidelines. Before this can be done, the utility company may need to furnish a Rate Refunding Bond.

A Rate Refunding Bond promises that the utility company will return funds to the customers (or credit customer accounts for future bills) if the regulatory body decides against the rate increase.

Rate Refunding Bond amounts vary by state and case and usually require collateral.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Removal Bond

Judicial Bond
Defendant

*For bonding requirements, see
Bonding Requirements on Page 36*

Under certain conditions, a defendant may be entitled to remove any civil action from a State Court to a U.S. District Court. To do this, a verified petition for removal must be filed and the court might require a Removal Bond to accompany the petition.

A Removal Bond guarantees the defendant will pay all costs and damages incurred by the removal proceedings, should the court decide the case was not removable or was improperly removed.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Supersedeas Bond

Judicial Bond
Defendant

*For bonding requirements, see
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See [Appeal](#) on Page 28.

For bonding requirements, please see [Bonding Requirements](#) on Page 36.

Bonding Requirements

Surety Solutions will need the following information to provide a quote and bind coverage.

Probate/Fiduciary Bonds:

- Copies of necessary court documents
- Completed surety bond application
- Signed indemnity agreement

Judicial Bonds:

- Copies of necessary court documents
- Completed surety bond application
- Signed indemnity agreement
- Collateral, in most cases

Court bond applications can be found on our website at:

<https://suretysolutionsllc.com/court>