

**FULLY ONLINE INSTITUTION OF POSTSECONDARY EDUCATION
IRREVOCABLE LETTER OF CREDIT NO. _____**

Date

U.S. Dollars Amount: _____ (\$_____)

Maryland Higher Education Commission
6 N. Liberty Street, 10th Floor
Baltimore, Maryland 21201

Dear Secretary:

We hereby authorize you to draw on us for the account of *[Name and Complete Address of Institution]* up to the aggregate amount of _____ (\$_____) available by your draft(s) at sight, subject to the following conditions:

1. Each draft must be drawn and presented for negotiation at our counter on or before Date (year from the date of this letter or any automatic extension in accordance with Section 5 below);
2. Each draft must contain a statement that it is "Drawn Under Letter of Credit No. _____," Name of Bank, and Address of Bank;
3. Each draft must be accompanied by a statement on your letterhead signed by an authorized signatory stating that *[Name of Institution]*: (1) was denied registration in Maryland as an institution of postsecondary education that enrolls Maryland students in fully online distance education programs in the State of Maryland and (2) has failed to provide 100% refunds of tuition and fees paid to the institution by all Maryland students enrolled in fully online distance education programs.
4. We must endorse the amount of each draft on this Letter of Credit. The Maryland Higher Education Commission will determine claims against *[Name of Institution]* resulting in draft(s) against this Letter of Credit.
5. This Letter of Credit shall be deemed automatically extended without written amendment for one year from the original or any automatically extended expiration date unless at least sixty (60) days before such expiration date, we send you written notice that we elect not to extend this Letter of Credit beyond the original or any automatically extended expiration date.
6. We hereby agree with the drawer, endorsers, and bona fide holders of all drafts drawn under and in compliance with this Letter of Credit that such drafts will be duly honored on presentation.

Sincerely,

[Signature of Bank Official]
[Title of Bank Official]

Final 7.1.12