Name of Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address of Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**INSTITUTION OF POSTSECONDARY EDUCATION**

**IRREVOCABLE LETTER OF CREDIT NO**. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

U.S. Dollars Amount: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Maryland Higher Education Commission

217 E. Redwood Street, Suite 2100

Baltimore, Maryland 21202

To Whom It May Concern:

We hereby authorize you to draw on us for the account of ***Name and Complete Address of School*** 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***;
3. Each draft must be accompanied by a statement on your letterhead signed by an authorized signatory stating that ***Name of School*** has failed to: (a) perform faithfully all agreements or contracts it has made with its students and/or (b) failed to comply with Title 11, Education Article of the Annotated Code of Maryland and regulations promulgated thereunder in the operation of an institution of postsecondary education.
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 School*** 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.

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.

***Complimentary Close***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Signature of Bank Official)*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*(Title of Bank Official)*