

## **BOND INSTRUCTIONS – READ BEFORE COMPLETING BOND**

Two types of bonds are approved by the Master Commissioner’s Office:

### **Single Use Bonds:**

- Can only be used one time for the purchase of a one property
- Assets pledged must cover balance of successful bid.
  - o Bond must be submitted by Purchaser at sale.

### **Continuing Sale Bonds:**

- Can be used for the purchase of multiple properties
- Requires **minimum of \$200,000.00** in pledged assets.
  - o Purchaser will need the Bond Control Number at the sale with their payment

NOTE: If approved amount is less than \$200,000.00, Surety can refile with additional assets or file for a Single Use Bond

Upon issuance of either bond, purchasers are permitted to pay a minimum of 10% of their winning bid and can utilize a personal check for payment. Purchasers will have thirty (30) days to pay the remaining amount of their bid plus interest.

**If a purchaser does not have an approved bond, they must pay the full amount of their bid at the sale with cash (capped at \$10,000.00) or certified funds (e.g., cashier’s check).**

### Section 1: Complete this section prior to submission to the Master Commissioner’s Office

Surety must provide their Kentucky county of residence on the bond.

If applying for a Single Use Bond, Surety must identify the type of documents submitted by checking the appropriate line and attaching the documents with the bond form.

If applying for a Continuing Sale Bond, Surety must complete the required information regarding their property and attach the documents with the bond form.

The applicant for the bond must be the owner of the property pledged. If the property is owned by a business entity, the bond must be in the name of the business and not in the name of an individual. However, an individual applying for a bond on behalf of a business entity must present documentation that they are authorized to apply for the bond. The business entity must be registered with the Commonwealth of Kentucky’s Secretary of State.

The Master Commissioner accepts the following property:

- **Real Property**

- Property must be located within Kentucky
- Surety must provide a copy of: 1) the recorded deed evidencing they are the owner of the property; and 2) a printout from the Property Valuation Administrator evidencing the current assessed value of the property.
- The Master Commissioner will not accept private assessments or appraisals of the property.
- If there is a mortgage on the property, Surety must provide a statement from the lender evidencing the current mortgage balance. Surety may only pledge the available equity in the property (ie: assessed value of the property less the mortgage balance).
- If the property is jointly owned, the bond amount will be limited to Surety's interest in the property.

- **Accounts**

- The Master Commissioner will only accept checking, savings, money market or non-retirement investment accounts from financial institutions operating within Kentucky.
- **Home equity credit lines, pre-approval for a mortgage or any type of retirement account will not be accepted.**
- Surety will need to provide: 1) a copy of the most recent statement showing the date, name of account holder, name of bank/lending institution, and date of statement; **OR** 2) letter signed and dated by a representative of the bank/lending institution on letterhead identifying the account holder, account type and current balance.

- **Letter of Surety**

- This is a Letter of Surety pursuant to KRS 454.185.
  - The letter must be on bank letterhead, identify the bank, and be signed by an authorized representative of the bank who is agreeing to act as Unconditional Surety for the bond.
  - **This is a commitment by the Bank to act as Unconditional Surety, which is different from a loan commitment, loan agreement, pre-approval letter, letter of credit or the like.**
- Surety can name an individual or a business entity as an Authorized Bidder. If a business entity is named, they must provide documentation evidencing that they can act on behalf of the business. An Authorized Bidder can purchase property on behalf of the Surety. **If the Surety defaults on their purchase, Surety will be liable, and the bond may be enforced against Surety's assets.**

Section 2: To be completed upon submission to the Master Commissioner's Office

Surety will provide its name, address, phone number, and e-mail. Surety's signature must be **notarized at the Master Commissioner's Office.**

If the bond is approved, a monetary amount will be determined based upon the qualifying assets submitted with the bond.

If Surety is applying for a Continuing Sale Bond, the Commissioner will issue a Control Number. This number will be required upon payment at the sale.

All bonds must be submitted no later than 2:00 p.m. the day before the scheduled sale date, and applications submitted after 2:00 p.m. will not be reviewed for the sale.

Section 3: Single Use Bond will be completed by the Purchaser at the judicial sale.

A Continuing Sale Bond does not have a Section 3; however, the Commissioner will issue a Control Number if the bond is approved. It is recommended that a copy of the Control Bond is available at sale, however the **Control Number must be provided at the sale.** Purchaser at the sale will complete a separate Affidavit utilizing the Control Number.

Bond applications generally require a minimum of 48 hours for review. Bond applicants can call the Master Commissioner's Office after that time to see if the bond has been approved or rejected. Approved bonds may be picked up at the Master Commissioner's Office prior to the date of sale, or they can be picked up the day of the sale at the Jefferson County Judicial Center, 2<sup>nd</sup> Floor Jury Pool Room.

# **Bond Application Checklist**

\_\_\_\_\_ Identify the bond you wish to submit; either the Single Use Bond or the Continuing Sale Bond

\_\_\_\_\_ If Surety is a business entity, bring documentation that you are authorized to act on the business entity's behalf

\_\_\_\_\_ Fill in the County name in which Surety resides in

\_\_\_\_\_ If submitting a Single Use Bond, attach documentation to be submitted with the bond and check the appropriate line(s) on the bond.

OR

If submitting a Continuing Sale Bond, fill out the appropriate property information on the bond and attach documentation to be submitted with the bond

\_\_\_\_\_ If you wish to authorize an individual or a business entity to utilize your bond, list their name as an Authorized Bidder (see instructions for liability information)

\_\_\_\_\_ Arrive at the Master Commissioner's Office (Glassworks Building, 815 West Market Street, Louisville, KY 40202) with a government issued photo ID (e.g., driver's license) and following the instructions at the front desk

\_\_\_\_\_ Sign the bond in front of a notary and fill out the contact information

**AFFIDAVIT OF SURETY FOR  
CONTINUING SALE BOND PER KRS 426.705**

\* \* \* \* \*

**This Continuing Sale Bond (Control Bond) requires a minimum of \$200,000.00 in available assets. This bond can be used for the purchase of multiple properties at multiple sale, and the bond will expire one year from the date of issuance.**

**If the Surety does not meet the \$200,000.00 minimum, then a Continuing Sale Bond will not be issued, and an application for a Single Use Bond can be made OR Surety can refile with additional assets.**

**Surety acknowledges they have read and understand the Bond Instructions.**

**Section 1: Surety shall complete this section prior to submitting to the Master Commissioner's Office**

Surety affirms that surety is a resident of \_\_\_\_\_ County, Kentucky; and owns property valued in the amount to be secured by this bond.

In support of this affidavit, the following has been provided to the Jefferson Circuit Court Master Commissioner, no later than 2:00 P.M. on the day in advance of the sale:

Surety is the fee owner of the following real property located Jefferson County, Kentucky:

1: Address: \_\_\_\_\_ valued at \$ \_\_\_\_\_  
by the Jefferson County Property Valuation Administrator, subject to lien(s) in favor of \_\_\_\_\_, in the amount of \$ \_\_\_\_\_;

2: Address: \_\_\_\_\_ valued at \$ \_\_\_\_\_  
by the Jefferson County Property Valuation Administrator, subject to lien(s) in favor of \_\_\_\_\_, in the amount of \$ \_\_\_\_\_;

3: Address: \_\_\_\_\_ valued at \$ \_\_\_\_\_  
by the Jefferson County Property Valuation Administrator, subject to lien(s) in favor of \_\_\_\_\_, in the amount of \$ \_\_\_\_\_.

Surety is the owner of the following unencumbered personal property:

Description: \_\_\_\_\_ valued at \$ \_\_\_\_\_

Description: \_\_\_\_\_ valued at \$ \_\_\_\_\_

Surety names the following individual(s) as an authorized bidder to utilize this bond, purchase property on behalf of the Surety, and understands in the event Surety becomes a defaulting purchaser, Surety acknowledges liability may be enforced by notice and motion as provided in CR 5 and KRS 451.180:

Authorized Bidder: \_\_\_\_\_

Authorized Bidder: \_\_\_\_\_

**Section 2: To be completed upon submission to the Master Commissioner's Office**

Surety binds themselves, their property, and agrees to be liable for full satisfaction of the unpaid purchase price of any properties purchased at the judicial sale. Surety makes this Affidavit knowing that the Jefferson Circuit Court Master Commissioner is relying on all the statements contained herein, and the truth thereof, in accepting Surety for payment of obligations of the foregoing incurred at judicial sale. In the event any of the foregoing statements or information change in any way, Surety agrees to file a new affidavit.

Surety: \_\_\_\_\_ Address: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ Email: \_\_\_\_\_

Title, if applicable

COMMONWEALTH OF KENTUCKY )  
JEFFERSON CIRCUIT COURT )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.  
My Commissioner Expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC STATE AT LARGE, KENTUCKY

Surety: \_\_\_\_\_ Address: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ Email: \_\_\_\_\_

Title, if applicable

COMMONWEALTH OF KENTUCKY )  
JEFFERSON CIRCUIT COURT )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.  
My Commissioner Expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC STATE AT LARGE, KENTUCKY



CASE NO. \_\_\_\_\_

JEFFERSON CIRCUIT COURT  
DIVISION \_\_\_\_\_

\_\_\_\_\_

PLAINTIFF

VS

**AFFIDAVIT OF SURETY FOR  
SINGLE-USE BOND PER KRS 426.705**

\_\_\_\_\_

DEFENDANTS

\* \* \* \* \*

**This Single Use Bond can only be used one (1) time for the purchase of one (1) property.** The amount of the bond must cover the balance of the successful bid. The bond will be surrendered to the Master Commissioner’s office in completing the terms of sale.

**Surety acknowledges they have read and understand the Bond Instructions.**

**Section 1:** Surety shall complete this section prior to submitting to the Master Commissioner’s Office

Surety affirms that surety is a resident of \_\_\_\_\_ County, Kentucky; and owns property valued in the amount to be secured by this bond.

In support of this affidavit, the following has been provided to the Jefferson Circuit Court Master Commissioner, no later than 2:00 P.M. on the day in advance of the sale:

\_\_\_\_\_ A copy of a recorded deed to real property evidencing they are the owner; a copy of a statement of value from the property valuation administrator; and, if mortgaged, a copy of the account statement evidencing the current mortgage balance.

\_\_\_\_\_ A copy of an account statement.

\_\_\_\_\_ A letter of surety from a lender pursuant to KRS 454.185 as provided on the Master Commissioner’s website. This is not a letter of credit, pre-approval letter or the like.

Surety names the following individual as an authorized bidder to utilize this bond, purchase property on behalf of the Surety, and understands in the event Surety becomes a defaulting purchaser, Surety agrees that liability may be enforced by notice and motion as provided for in CR 5 and KRS 451.180:

Authorized Bidder: \_\_\_\_\_

Authorized Bidder: \_\_\_\_\_

Authorized Bidder: \_\_\_\_\_



