

PCD QUICK TIPS – COLLATERAL

Collateral is posted to guarantee completion of required improvements associated with certain land use applications. These include, but are not limited to, grading and erosion control, subdivision improvements, landscaping of public and/or common improvements, defect warranty, construction removal, etc.

*****Please note collateral will not be accepted without the required documents, if the amount of the collateral is incorrect, or if the collateral is not the original document. Additionally, collateral will not be accepted in the field.**

Accepted Forms of Collateral

- Bonds from insurance companies
- Letters of Credit (LOC) from Banks and Credit Unions
- Business Checks/Cashier's Check from Banks

Requirements

- All forms of accepted collateral must be from a Bank, Credit Union, or Insurance Company registered and in good standing to do business in the State of Colorado.
- An approved Financial Assurance Estimate (FAE) is required for all bonds, LOCs, and checks (not applicable for escrow).
- A copy of the construction permit is required when submitting collateral. The collateral amount must match the posted amount listed on the construction permit.
- An updated and complete W-9 form is required with all checks for collateral and escrow. The W-9 must match the company/individual name listed on the check.

- If submitting 100% of the collateral prior to the recording of the Final Plat, an approved FAE, and recorded SIA are required.
- If submitting collateral for pre-subdivision site grading only, section one of the approved FAE is to be provided along with a signed Pre-Subdivision Site Grading Acknowledgement and Right of Access form.
- If collateral is required at the time of site development plan approval, an approved FAE, and construction permit are required. A Development Agreement may be required if indicated on the construction permit.
- **ESCROW:** Checks are the only acceptable form of payment when submitting an escrow and no other fees may be included in a check for escrow. A signed escrow agreement must accompany the check, and the check amount must match the amount in the agreement.

Releases

Releases or reductions of collateral are done at the time of Preliminary Acceptance (PA) and Final Acceptance (FA). There may be up to three reductions during construction prior to a PA. For PAs, the assigned engineer must submit an FAE with the % Complete column completed. Please note that anything with a red asterisk cannot have more than an 80% release.

Resources

- For additional information call us at 719-520-6300 or for questions specifically regarding inspections or pre-construction meetings, contact us at: dpw-dsinspections@elpasoco.com.
- You may also view collateral related documents online at planningdevelopment.elpasoco.com. Select the Forms, Applications, and Checklists tab to see Collateral/Surety information and documents.
- Collateral is to be delivered or mailed to:

Planning and Community Development

2880 International Circle, Suite 110

Colorado Springs, CO 80910

***Please note that collateral will not be accepted and will be mailed back if the required documents are not included.**