



Motor Carrier Division
4000 Jackson Ave. w Austin, Texas 78731
800/299-1700 ♦ www.TxDMV.gov

INSTRUCTIONS FOR IRREVOCABLE STANDBY LETTER OF CREDIT

These instructions apply when a letter of credit (LOC) on Texas Department of Motor Vehicles form number MCD-LOC01, "Irrevocable Standby Letter of Credit," is being issued to the County Commissioners Court of any county in the state of Texas as beneficiary and as a requirement for the issuance of over axle/over gross weight tolerance and timber permit(s). The issuing Bank shall not alter the text of the form LOC in any way. These instructions do not form part of the LOC issued on the form.

Information on the following items should be supplied as follows:

Beneficiary	The Beneficiary of the LOC shall be: County Commissioners Court of any county in the state of Texas
Customer/Principal	The exact name of the entity that is a customer to the Beneficiary and for whose obligations to the Beneficiary this LOC is intended to serve as collateral.
Issuing bank	LOC will only be accepted from banks that are subject to the laws of Texas.
Effective date	The effective date shall be on or before the date on which a permit is to be issued against an LOC.
Authorized signature	An original signature of an officer/representative of the issuing bank.

Submit the original LOC to:

Texas Department of Motor Vehicles
Attn: MCD – Permits
4000 Jackson Ave.
Austin, Texas 78731

Facsimiles and electronic copies will not be accepted.



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IRREVOCABLE STANDBY LETTER OF CREDIT

Date: _____

Letter of Credit Number: _____

To: County Commissioners Court of any county in the state of Texas

We hereby issue this Irrevocable Standby Letter of Credit (hereinafter "LOC") in your favor and authorize you to draw on:

(Name and Office of Issuing Bank)

(Address of Issuing Bank)

For account of:

(Name of Customer/Principal)

(Address of Customer)

up to the aggregate amount of fifteen thousand and no/100 U.S. dollars (\$15,000.00) available by your draft at sight marked "drawn under _____

(Name of Issuing Bank)

Letter of Credit Number _____ dated _____."

The following must accompany drafts drawn under this LOC:

- 1) The original of this letter of credit including amendments, if any; and
- 2) A statement purportedly signed by an authorized representative of the County Commissioners Court of any county in the state of Texas certifying that "funds drawn under this LOC are due to the County for damages sustained to highway(s) under the jurisdiction of the County Commissioners by operation of equipment for which the principal has been issued a permit under Texas Transportation Code §623.011 or §623.321, or for failure to perform permit notifications as outlined in §623.323."

IRREVOCABLE STANDBY LETTER OF CREDIT (continued)

Principal: _____

LOC Number: _____

The issuer must notify the Texas Department of Motor Vehicles and principal in writing promptly after a payment is made by the issuer on the LOC. In addition, the department must receive, before the 31st day after the date on which payment is made, a replacement LOC or a notification from the issuer that the existing LOC has been restored to the original amount. Failure to provide a replacement LOC or notification will result in automatic expiration of the principal's permits issued under this LOC on the 31st day after the date on which payment was made on the LOC.

This LOC shall be effective on _____, and expire on _____ (primary term) and shall be valid and irrevocable for such time period and for so long thereafter, as it may be renewed in accordance with the terms thereof.

This LOC shall be deemed automatically renewed for a period of one (1) year from its expiration date or any future expiration date unless it is at least thirty (30) days prior to an expiration date and the Texas Department of Motor Vehicles receives from us written notice at the Motor Carrier Division that the LOC will no longer be automatically renewed.

We hereby agree that drafts drawn under and in compliance with the terms of this LOC will be duly honored within one business day of receipt if presented to the above-mentioned Bank(s) on or before the day the LOC expires.

This LOC is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600.

Name and title of signer for Issuing Bank

By: _____
Authorized Signature

Date

Printed Name & Title