

# CONSTRUCTION INDUSTRY LICENSING BOARD

## Financial Responsibility and Stability Requirements for Contractor Applicants

- **Florida Law requires all construction contractor applicants to establish that they are both financially responsible and financially stable prior to issuance of their licenses. The Construction Industry Licensing Board has determined a contractor will be deemed financially responsible and stable if the following items are established:**
  - **There are no unsatisfied liens against the applicant or the company he or she intends to qualify;**
  - **There are no unsatisfied judgments against the applicant or the company he or she intends to qualify;**
  - **Applicant has a 660 FICO derived credit score or higher, or submits a licensing bond or irrevocable letter of credit; and**
  - **The licensing bond or letter of credit shall be maintained until the applicant has achieved a FICO credit score of 660 or higher.**
- **Credit Report:** To establish the above items, each applicant must submit a personal credit report and a credit report for the business he or she intends to qualify. The credit report must be from a nationally recognized credit reporting agency and indicate that all records have been searched on a federal, state and local level. The credit report must not show any unsatisfied liens or judgments against the applicant or the applicant's company. The applicant's personal credit report must also include the applicant's credit score and must indicate that the credit score is a FICO or Beacon score.
- **Obtaining a Credit Report:** Applicants may find a list of acceptable credit reporting agencies at the following link: [Credit Reporting Agency List](#).
- **Licensing Bonds and Letters of Credit:** If an applicant does not have a 660 credit score at the time of application, the applicant may still establish financial responsibility by obtaining a licensing bond or letter of credit. The amount of the bond or letter of credit depends on the type of license sought: \$20,000 for Division I contractors or \$10,000 for Division II contractors. **These amounts may be reduced to \$10,000 for Division I contractors and \$5,000 for Division II contractors by completing a board-approved financial responsibility course.**
- **Obtaining a Licensing Bond:** Applicants may obtain a licensing bond by contacting their local insurance agents.
- **Obtaining a Letter of Credit:** Applicants may contact their banks or lending institutions to obtain a letter of credit. The letter of credit must be payable to the Construction Industry Licensing Board for fines and costs.
- **Taking the 14-hour Financial Responsibility Course:** Applicants may find a list of the board's approved Financial Responsibility courses by clicking on the following link: [Financial Responsibility Courses](#).