

JD BAIL BONDING & RECOVERY LLC

IN-HOUSE BAIL BOND FINANCING

UNDERWRITING POLICIES | Effective September 13, 2026

1. PURPOSE

These Underwriting Policies establish internal standards for evaluating requests for in-house financing of bail bond premiums by JD Bail Bonding & Recovery LLC.

They provide a framework for evaluating identity, financial capacity, residence, payment ability, proposed payment schedule, collateral or indemnity, and other relevant underwriting considerations.

In-house financing is a discretionary Company program and is not an automatic entitlement.

2. SCOPE

These policies apply to requests to defer payment of all or part of a bail bond premium after release. They do not replace the bail bond application, bail bond agreement, indemnity agreement, collateral agreement, deferred-premium memorandum, court orders, applicable statutes/regulations, or surety requirements.

3. UNDERWRITING AUTHORITY

Only persons authorized by the Company and legally permitted to perform the applicable bail-bond activity may make or approve underwriting decisions. Employees and agents may not exceed delegated authority.

4. MINIMUM ELIGIBILITY REQUIREMENTS

Applicant must be at least 18 years old.

Applicant must possess valid government-issued photo identification.

Applicant must provide verifiable employment, income, or another lawful and reasonably verifiable source of funds sufficient to support the proposed payment arrangement.

Applicant must provide satisfactory verification of a current residential address.

Unless otherwise authorized, in-house financing eligibility begins at a minimum bond amount of \$10,000.

5. REQUIRED UNDERWRITING DOCUMENTATION

Documentation may include government-issued identification, recent pay stubs, employer verification, bank statements, tax documents, benefit statements, self-employment documentation, lease or mortgage documentation, utility bills, residence verification, and other reasonable supporting documentation.

6. IDENTITY VERIFICATION

Verify legal name, date of birth, government identification, current address, contact information, relationship to defendant, and other information reasonably necessary to establish identity. Resolve material discrepancies before approval.

7. EMPLOYMENT AND INCOME UNDERWRITING

Evaluate employment status, length and type of employment, frequency and stability of income, verified income, other documented lawful income sources, existing obligations when reasonably ascertainable, proposed installment amount, payment frequency, and overall ability to satisfy the schedule.

8. RESIDENCE UNDERWRITING

Evaluate length and stability of residence, ownership or rental status, verified physical address, ability to contact the applicant, and consistency among identification, application, and supporting documents.

9. CONTACT INFORMATION

Obtain reliable primary telephone, secondary telephone when available, residential/mailling address, email when available, and employer contact information when reasonably necessary.

10. PAYMENT CAPACITY

Evaluate the proposed schedule before approval. Document total premium, initial payment, deferred balance, payment frequency, installment amount, number of installments, and final payment date. The proposed schedule should be reasonably supported by verified financial circumstances.

11. MINIMUM DOWN PAYMENT

Unless otherwise authorized, the minimum initial payment is 5% of the applicable premium. This is a minimum threshold and does not guarantee approval.

12. UNDERWRITING RISK FACTORS

Positive factors may include stable employment, consistent verified income, stable residence, reliable contact information, adequate documented income, reasonable payment schedule, strong Company payment history, satisfactory indemnity, and adequate lawful collateral when required.

Additional review factors may include new employment, variable income, self-employment, limited employment history, frequent address changes, limited payment history, large deferred balance, significant obligations, incomplete documentation, prior delinquency, prior financing default, or other circumstances affecting ability to pay.

13. PRIOR PAYMENT HISTORY

Where lawfully available, review prior financing agreements, timely or missed payments, delinquent balances, defaults, prior arrangements, collateral issues, and compliance with Company agreements.

14. COLLATERAL AND INDEMNITY

Collateral or additional indemnity may be required when permitted by law and appropriate to the circumstances. Consider bond amount, deferred premium, financial capacity, payment history, contactability, nature/value of collateral, and other lawful factors.

15. COLLATERAL VALUATION

Document description, ownership, approximate value, supporting documentation, date received, person providing collateral, and conditions governing release or return. Do not accept collateral in a manner prohibited by law.

16. CO-SIGNERS, INDEMNITORS, AND RESPONSIBLE PARTIES

The Company may require additional indemnitors or responsible parties when permitted by law. Consider identity, residence, employment/income, ability to satisfy obligations, relationship to defendant/applicant, and reliability/availability.

17. APPLICATIONS REQUIRING ADDITIONAL REVIEW

Additional review should generally be considered for unverifiable income or residence, inconsistent identification, material application discrepancies, unstable/recent employment, significant unexplained obligations, prior default, large unpaid Company balance, insufficient initial payment, questionable collateral, requests outside standard policy, or suspected fraud/misrepresentation.

18. AUTOMATIC OR PRESUMPTIVE DECLINE CONDITIONS

Potential decline grounds include failure to meet age or identification requirements, material fraud or misrepresentation, inability to reasonably verify identity/income/residence, failure to satisfy required initial payment, inability to establish a reasonable schedule, previous unresolved financing default, or other documented financial risk. Decisions must remain consistent with applicable law.

19. EXCEPTIONS TO STANDARD UNDERWRITING

Exceptions may be approved only by authorized Company personnel. Document the requirement modified, reason, additional documentation, additional security/payment requirements, approving person, and date. Exceptions may not circumvent applicable law.

20. APPROVAL LEVELS

The Company may establish internal approval authority based on bond amount, deferred premium, risk factors, and collateral requirements. Unless otherwise established in writing, the Sole Member or designated authorized representative retains final approval authority.

21. APPROVAL CONDITIONS

Approval may be conditioned upon additional documentation, increased initial payment, additional indemnitor, lawful collateral, updated employment/residence verification, shorter payment period, or other lawful conditions. Conditions must be satisfied and documented before final approval.

22. DEFERRED PREMIUM DOCUMENTATION

When premium is deferred, the underwriting file must contain documentation identifying total premium, amount paid, deferred amount, payment schedule, payment dates, payment amounts, and required signatures/dates.

23. FINAL UNDERWRITING CHECKLIST

- Applicant is at least 18 years old
- Valid government-issued photo ID verified
- Identity information is consistent
- Residence verified
- Employment and/or income verified
- Payment ability evaluated
- Bond amount meets minimum financing threshold
- Required initial payment determined
- Proposed payment schedule established
- Collateral requirements evaluated
- Indemnitor requirements evaluated
- Prior Company payment history reviewed when applicable
- Required documents completed
- Exceptions documented
- Financing memorandum prepared
- Required signatures obtained
- Applicant provided required copies

■ Underwriting decision documented

24. APPROVAL / DECLINE RECORD

Field	Entry
Applicant	_____
Defendant	_____
Bond Amount	\$ _____
Total Premium	\$ _____
Initial Payment	\$ _____
Deferred Balance	\$ _____
Payment Schedule	_____
Decision	■ APPROVED ■ APPROVED WITH CONDITIONS ■ DECLINED
Conditions / Reason	_____ _____

25. UNDERWRITING FILE RETENTION

Maintain appropriate records supporting each financing decision, including applications, verification documents, agreements, payment records, collateral records, and underwriting notes, in accordance with applicable law and Company record-retention policies.

26. CONFIDENTIALITY

Underwriting information may contain confidential personal, financial, employment, residential, and bail-related information. Safeguard such information and disclose it only as permitted or required by law.

27. COMPLIANCE

Underwriting personnel shall comply with applicable North Carolina statutes, Department of Insurance requirements, bail-bond regulations, surety requirements, privacy requirements, consumer-protection requirements, recordkeeping requirements, and licensing requirements.

28. NON-DISCRIMINATION

Underwriting decisions shall be based upon legitimate, documented underwriting considerations and comply with applicable federal and North Carolina law. Prohibited discriminatory criteria shall not be used.

29. POLICY REVIEW

These policies may be reviewed and amended as necessary to reflect changes in law, regulatory requirements, surety requirements, Company experience, financing practices, or underwriting standards.

30. EFFECTIVE DATE

These In-House Bail Bond Financing Underwriting Policies are adopted by JD Bail Bonding & Recovery LLC effective September 13, 2026.

ADOPTION / ACKNOWLEDGMENT

JD Bail Bonding & Recovery LLC adopts this document effective September 13, 2026, subject to applicable federal and North Carolina law and regulatory requirements.

Joshua Douglas Smith, Sole Member

Date