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## **SCHOOL CREDIT ENHANCEMENT PROGRAM PROCEDURE UPON NOTIFICATION OF DEFAULT**

The North Dakota Department of Public Instruction (“NDDPI”) incorporates the bond payment schedule from each bond issue in the School Credit Enhancement Program (the “Program”) into a master payment schedule so that DPI is aware of the potential obligation of the Program on each payment date.

Upon receipt of a Notice of Default from a paying agent of the issuer’s failure to deposit sufficient funds for a bond payment five days prior to the payment date, NDDPI will:

1. Verify the bond issue is in the Program.
2. Verify that the paying agent is an approved Vendor to the state:
  - a. If not approved send the SFN 53656 Central Services – Vendor Registry form to the paying agent to complete and return.
  - b. Forward the completed form to the Office of Management and Budget with instructions to expedite entry into the state’s account payable system.
3. Verify the dollar amount of the default and other payment details with the paying agent.
4. Authorize payment through the state’s accounts payable system.
5. Notify the paying agent when the funds have been released.
6. Notify the issuer the amount of its state aid funds that have been transferred to the paying agent as a result of the Notification of Default.