



WV BROADBAND INFRASTRUCTURE INSURANCE PROGRAM



The West Virginia Economic Development Authority (WVEDA) Broadband Loan Insurance program was created to assist businesses in gaining access to credit from West Virginia's financial institutions. The objective of the Broadband Loan Insurance program is to encourage lenders to undertake credit risk that will allow for the extension/expansion of broadband service to unserved or underserved areas of the state of West Virginia.

Per the guidelines adopted by the WVEDA the Broadband Loan Insurance could insure up to 80% of a bank loan for a broadband infrastructure or development project. The insured portion cannot exceed Ten Million Dollars (\$10,000,000) and could be for a maximum term of twenty years.

The project must be certified by the West Virginia Broadband Enhancement Council as having met the requirements of providing broadband service to an unserved or underserved area of the State of West Virginia.

The project must have written certification from the participating financial institution that, but for WVEDA Broadband Loan Insurance program, the financial institution would not otherwise make the loan based solely on the creditworthiness of the broadband provider.

Broadband Loan Insurance applications originate with and are submitted by the financial institution. The WVEDA will not consider a Broadband Loan Insurance application unless it is signed by the Lender. A nonrefundable application fee of \$1,000 must be submitted to WVEDA with the loan insurance application. If the WVEDA approves the loan insurance application, a closing fee equal to 0.5% of the insured portion of the bank loan will be due and payable to WVEDA.

In addition, the legal fee for document preparation in the amount of \$450 will be due and payable to the legal firm performing this service. Both fees are due upon execution of the Loan Insurance Agreement.

If the Broadband Loan Insurance application is approved the bank will make the loan using its standard note, security agreements, deeds of trust, etc. The bank will set the loan fees and interest rates at its discretion, with disclosure to WVEDA. If the project is located on or secured by leased property, the term of the lease must be at least as long as the term of insurance.

Please contact the WVEDA for additional information regarding the Broadband Loan Insurance program and to request a Broadband Loan Insurance application.

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