

At its meeting of February 15, 2018, the Board of Directors of the West Virginia Economic Development Authority approved the following:

Broadband Loan Insurance Application

Loan insurance in the amount of \$3,720,000 to Clear Mountain Bank for the benefit of Digital Connections, Inc. ("DCI"). DCI based in **Morgantown, Monongalia County, West Virginia**, was established in 1996 as a Competitive Local Exchange Carrier to provide voice and internet services to consumers located in North Central West Virginia. DCI currently has 10 employees and expects to employ 14 within the next two years.

During the 2017 West Virginia Legislative session the legislature passed and the Governor signed into law HB 3093 – The Broadband Enhancement Bill. This law is intended to provide incentives for expansion and improved delivery of broadband service in the state. A major component in the legislation directs the WV Board of Treasury Investments to make available to the WVEDA a \$50 million nonrecourse, revolving loan to underwrite and insure commercial loans made to companies for the purpose of deploying broadband. This is the first loan insurance request under this new program.

The Loan Insurance Program (LINS) is a program in which the WVEDA insures a bank loan. Under this program, the applicant applies directly to the bank which negotiates collateral, interest rate and loan covenants in keeping with its own lending guidelines. Upon favorable review, the bank conditionally approves the loan and makes application to WVEDA for loan insurance.

Loan proceeds may be used for fixed assets or other needs, such as inventory and working capital. However, construction loans and lines of credit do not qualify.