JOINT COMMITTEE ON GOVERNMENT AND FINANCE
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR

Post Audit Division

SEPTEMBER 14, 2026

BROADBAND LOAN INSURANCE PROGRAM (BLINS)

LEGISLATIVE AUDITOR'S STAFF CONTRIBUTORS

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Post Audit Division

Objective(s): To determine whether the audit procedures, accounting practices, and internal controls of the West Virginia Economic Development Authority's Broadband Loan Insurance Program is compliant with W.Va. Code §31-15-8a and §12-6C-11a.

Key Findings:

The Broadband Loan Insurance Program is Administered in Compliance with the General Provisions of W.Va. Code, but Current Code Contains Conflicting Language Regarding an Annual Provider Cap.

The West Virginia Economic Development Authority Has Established Appropriate Processes, Procedures, and Controls Over the BLINS Application and Approval Processes Which Comply With Code and Appropriately Minimize Risk to the State.

WVEDA Generally Complies With Public Information Requirements But Should Work to Ensure That All Required Information for Each Loan Insurance Agreement is Available to the Public on Its Website.

September 2026

Compliance Review: Broadband Loan Insurance Program (BLINS)

Background: The Broadband Loan Insurance Program (BLINS), administered by the West Virginia Economic Development Authority (WVEDA), was established by an act of the Legislature during the 2021 Regular Session. The purpose of the BLINS program is to facilitate broadband expansion across unserved and underserved areas of West Virginia by providing loan insurance to financial institutions to encourage them to issue loans to internet service providers (ISPs) for qualified projects across the State. WVEDA is authorized to provide up to $80 million in loan insurance under the BLINS Program and may insure between 80 and 100 percent of broadband loans. It is important to note that these funds are not expended by WVEDA but are set aside and held in the event that an ISP defaults on its loan with a lending financial institution. To date, there have been no defaults in the BLINS Program and all loans are current for the Program's existing commitments.

W. Va. Code §31-15-8A and W. Va. Code §12-6C-11a establish specific statutory requirements that BLINS must meet with respect to general program administration, application and approval considerations, and the publication of program information (online and via annual and quarterly reporting). This audit, required under W.Va. Code 31-15-8a(g), follows two previous audits of the BLINS program (PERD, 2024 and BTI, 2025) and assesses WVEDA's compliance with the statutory requirements for the program.

General Program Requirements

• The maximum term for an insurance agreement is 20 years;
• Annual cap for any one ISP is $50 million in a single calendar year;
• Applicants cannot have previously defaulted; and
• Certification from the lender that the loan would not be issued absent a loan insurance agreement from the WVEDA.

Application and Approval Consideration Requirements

• Proof of business ownership and other business registration information;
• Detailed information regarding all current, previous, and pending business debt;
• Detailed records of the ISP's financial history covering the past five years;
• The number of employees, names and contact information for all managers of the project to be insured;
• Detailed information regarding assets being presented as collateral;
• Detailed business plans, financial plans, and financial projections related to the project;
• The financial ability of the applicant to complete the insured project and repay the loan;
• The provider's past performance as a participant in any previous economic development program of this state or of any other state; and
• The provider's experience with broadband service deployment in the state or any other state.

Information Publication Requirements

• Quarterly and Annual Reports to be filed with Joint Committee on Government and Finance, the Governor, and the Board of Treasury Investments; and
• Publication of certain information for all agreements on WVEDA website.

Key Findings:

The Broadband Loan Insurance Program is Administered in Compliance with the General Provisions Governing the Program, But Current Code Contains Conflicting Language Regarding an Annual Provider Cap.

The Legislative Auditor's review of BLINS determined that the program is administered in compliance with the general provisions of W.Va. Code. As Tables 1 and 2 below indicate, current commitments under the program are below the $80 million maximum established by the Legislature and all current loan insurance agreements have a term of 20 years or less.

Table 1
Current Traditional BLINS Commitments

ISP Name	Service Area	Bank	Amount	Execution Date	Maturity Date
Digital Connections, Inc.	North Central WV	Clear Mountain Bank	$690,734	March 26, 2018	March 26, 2030
CityNet, LLC	Harrison County	MVB Bank	$5,108,594	April 29, 2020	April 29, 2040
Roane County EDA	Roane County	Wesbanco Bank	$4,546,437	June 25, 2023	June 15, 2033
Micrologic, Inc.	Randolph County	Citizens Bank of WV	$6,656,251	October 31, 2022	October 31, 2042
Digital Connections, Inc.	North Central WV	Clear Mountain Bank	$329,343	April 18, 2024	April 18, 2030
CityNet West Virginia, LLC	Harrison County	MVB Bank	$20,000,000	June 20, 2024	June 20, 2034
CityNet West Virginia, LLC	Harrison County	MVB Bank	$10,000,000	June 20, 2024	June 20, 2034
		Total	**$47,331,359**		

Source: Data provided by WVEDA as of July 8, 2026.

Table 2
Current Rural Digital Opportunity Fund BLINS Commitments

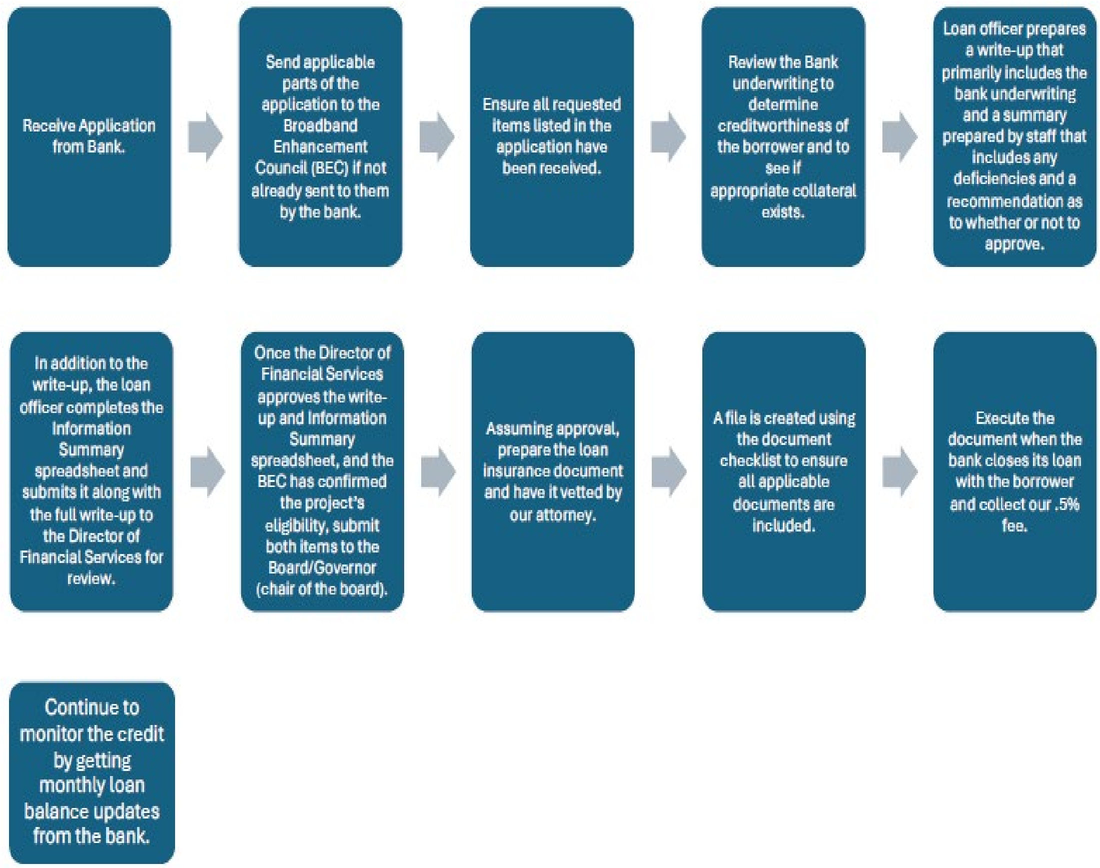
ISP Name	Service Area	Bank	Amount	Execution Date	Maturity Date
CityNet West Virginia, LLC	Harrison County	MVB Bank	$16,055,057	October 20, 2021	October 20, 2028
CityNet West Virginia, LLC	Harrison County	MVB Bank	$652,312	July 29, 2022	July 29, 2027
CityNet West Virginia, LLC	Harrison County	MVB Bank	$1,303,000	July 29, 2022	July 29, 2027
Micrologic, Inc.	Upshur County	Pioneer Community Bank	$1,003,605	January 4, 2022	January 4, 2029
Digital Connections, Inc.	North Central WV	Clear Mountain Bank	$2,574,900	November 24, 2021	November 24, 2028
Gigabeam Networks, LLC	Upshur County	Pioneer Community Bank	$8,420,337	December 12, 2022	December 12, 2029
		Total	**$30,009,212**		

Source: Data provided by WVEDA as of July 8, 2026.

The Legislative Auditor notes that current West Virginia Code contains conflicting annual caps on the amount of loan insurance that can be provided in a single calendar year to an individual ISP. W.Va. Code §31-15-8A was amended during a 2024 Special Session to include a $50 million annual cap. However, the cap provided in near-identical language in W.Va. Code §12-6C-11 is $20 million for a single ISP in any singular calendar year. According to the WVEDA, it is aware of the conflicting monetary caps and currently operates under the most recent legislatively enacted language reflecting a $50 million cap. **The Legislative Auditor recommends that the Legislature consider amending West Virginia Code to clean up conflicting language regarding annual loan insurance caps for the BLINS program.**

The West Virginia Economic Development Authority Has Established Appropriate Processes, Procedures, and Controls Over the BLINS Application and Approval Processes Which Comply With Code and Appropriately Minimize Risk to the State.

WVEDA was asked to provide the Legislative Auditor with a detailed breakdown of its processes and procedures for the BLINS Program, from its receipt of an application to final approval.



In order to assess the Program's compliance with application and approval requirements, the Legislative Auditor conducted an onsite physical file review for each current BLINS commitment.

For each of the 13 loan insurance agreement files, the Legislative Auditor observed all of the statutorily required documents. WVEDA ensured that each project file contained a completed copy of its document checklist, which is used by WVEDA staff to ensure all of the required information is acquired and kept on file. In addition, WVEDA staff included, for each loan insurance agreement, a summary that provides additional details and documents the WVEDA's considerations for each application, including a "Strengths and Weaknesses" assessment for each application.

WVEDA Generally Complies With Public Information Requirements But Should Work to Ensure That All Required Information for Each Loan Insurance Agreement is Available to the Public on Its Website.

The Legislative Auditor reviewed the WVEDA's website to assess whether it has complied with W.Va. Code with respect to website publication requirements. Code requires that WVEDA publish the following information for each active BLINS agreement:

- The name of the insured provider;
- The location or locations of the project;
- The amount of the authority loan or financial assistance provided by the insurance fund;
- The purpose of the loan or financial assistance;
- The term, rate, and interest of the loan; and

- The fixed assets that serve as security for the loan or insurance provided.

The Legislative Auditor's review noted that most of the 13 current BLINS agreements were present on WVEDA's website but did note information for some agreements were not present. In addition, while most of the required information is present, the Legislative Auditor did not find information regarding the term, rate, and interest of the loan, or detailed information on collateral for each insurance agreement. **The Legislative Auditor recommends that the West Virginia Economic Development Authority ensure that all statutorily required information regarding all active loan insurance agreements is published on its public website, is complete, and easy to find.**

Finally, the Legislative Auditor reviewed WVEDA's report filings for Fiscal Years 2025 and 2026. The WVEDA appropriately and timely filed all of the required quarterly reports, and each report was found to include all of the statutorily required content elements. WVEDA has established a practice of counting its final quarterly report for each fiscal year as both a quarterly and annual report. Given that these reports are found to contain all of the required information to satisfy the requirements for annual and quarterly reporting, it is the opinion of the Legislative Auditor that it does not present a compliance issue.

Recommendations

1. The Legislative Auditor recommends that the Legislature consider amending West Virginia Code to clean up conflicting language regarding annual loan insurance caps for the BLINS program.

2. The Legislative Auditor recommends that the West Virginia Economic Development Authority ensure that all statutorily required information regarding all active loan insurance agreements is published on its public website, is complete, and easy to find.