

**Report to
Joint Committee on Government and Finance
and
Governor's Office**

March 31, 2024

**West Virginia Economic Development
Authority**

Loan Insurance Program





Memo

To: Joint Committee on Government and Finance
WV Governor's Office

From: Executive Director, Kris Warner

Date: April 29, 2024

Re: Loan Insurance report for the quarter ending March 31, 2024

In accordance with West Virginia Code § 31-15-8(h), the West Virginia Economic Development Authority (the "WVEDA") is required to submit quarterly reports on the 30th day of each January, April, July and October to the Joint Committee on Government and Finance and the Governor containing information about the WVEDA's Loan Insurance Program created by West Virginia Code § 31-15-8 ("LINS").

As of March 31, 2024, WVEDA has \$42,926,925.32 of loan insurance capacity available in its Loan Insurance Fund; however, of that amount, \$25,000,000.00 was specifically appropriated and restricted for the benefit of Mountaintop Beverage LLC. Therefore, the WVEDA can commit up to five times the \$17,926,925.32 insurance capacity available, or \$89,634,626.60 in Loan Insurance, to financial institutions seeking loan insurance of debt instruments entered into with businesses in the state. The WVEDA has \$4,673,236.81 in Loan Insurance exposure. The WVEDA has two commitments for loan insurance, not yet closed, in the total amount of \$25,400,000.00 which are anticipated to increase its exposure to \$30,073,236.81.

Listed below are the outstanding and active Loan Insurance commitments:

- 1. Borrower Name:** Magnolia Assisted Living, Inc.
Financial Institution: Poca Valley Bank
Total Loan Value: \$458,984.66
Loan Amount Insured: \$367,187.73
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 10/7/2027
Loan Status: Current
- 2. Borrower Name:** ABC Holding Company, LLC
Financial Institution: Poca Valley Bank
Total Loan Value: \$626,688.59
Loan Amount Insured: 80% not to exceed \$500,000.00.
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 3/19/2024
Loan Status: Current
Note: Bank has applied for an extension of the maturity date, which will change the Loan Maturity Date to 3/19/2028 upon WVEDA Board approval.
- 3. Borrower Name:** Mountaineer Real Estate, Inc.
Financial Institution: Clear Mountain Bank
Total Loan Value: \$2,326,032.19
Loan Amount Insured: 80% not to exceed \$500,000.00.
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 10/22/2024
Loan Status: Current
- 4. Borrower Name:** Supply Solutions, LLC
Financial Institution: Clear Mountain Bank
Total Loan Value: \$5,850.87
Loan Amount Insured: \$4,680.70
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 6/24/2025
Loan Status: Current

*** - The Loan Insurance program is not supported by an outstanding loan. Funding is provided from WVEDA Cash balances.**

5. **Borrower Name:** SmartVac Hydrovacs Ltd. Co.
Financial Institution: Citizens Bank of Weston
Total Loan Value: \$113,567.44
Loan Amount Insured: \$90,853.95
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 7/20/2025
Loan Status: Current
6. **Borrower Name:** Old Cape Henry, LLC
Financial Institution: Poca Valley Bank
Total Loan Value: \$375,936.23
Loan Amount Insured: \$300,748.98
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 8/9/2025
Loan Status: Current
7. **Borrower Name:** Classic Marble Company
Financial Institution: Poca Valley Bank
Total Loan Value: \$139,718.33
Loan Amount Insured: \$111,774.66
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 12/3/2025
Loan Status: Current
8. **Borrower Name:** Classic Marble Company
Financial Institution: Poca Valley Bank
Total Loan Value: \$107,147.91
Loan Amount Insured: \$85,718.33
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 12/3/2025
Loan Status: Current
9. **Borrower Name:** Medical Info Systems Tech, LLC
Financial Institution: First State Bank of Barboursville
acquired by Summit Bank
Total Loan Value: \$36,099.61
Loan Amount Insured: \$32,489.65
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 3/26/2026
Loan Status: Current

*** - The Loan Insurance program is not supported by an outstanding loan. Funding is provided from WVEDA Cash balances.**

10. **Borrower Name:** Digital Connections, Inc.
Financial Institution: Clear Mountain Bank
Total Loan Value: \$1,366,495.32
Loan Amount Insured: \$1,093,196.26
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 3/26/2028
Loan Status: Current
11. **Borrower Name:** Rose Holdings LLC
Financial Institution: Clear Mountain Bank
Total Loan Value: \$2,342,870.28
Loan Amount Insured: 80% not to exceed \$500,000.00.
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 09/28/2027
Loan Status: Current
12. **Borrower Name:** Tyler Mountain Water Company, Inc.
Financial Institution: Poca Valley Bank
Total Loan Value: \$-0-
Loan Amount Insured: \$-0-
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 09/21/2027
Loan Status: **Bank loan paid in full, record will be removed at next report date.**
13. **Borrower Name:** NorthStar Technologies, LLC
Financial Institution: Clear Mountain Bank
Total Loan Value: \$1,162,105.01
Loan Amount Insured: 80% not to exceed \$500,000.00.
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 09/28/2027
Loan Status: Current
14. **Borrower Name:** RRD, LLC
Financial Institution: Clear Mountain Bank
Total Loan Value: \$797,318.52
Loan Amount Insured: 80% not to exceed \$500,000.00.
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 01/23/2028
Loan Status: Current

Listed below is an approved LINS commitment that is pending the execution of the Standard Loan Insurance Agreement:

- 1. **Borrower Name:** Mountaintop Beverage LLC
- Financial Institution:** Poca Valley Bank
- Total Loan Value:** \$25,000,000.00
- Loan Amount Insured:** \$-0-
- LINS Loan O/S Principal:** \$-0-*
- Loan Maturity Date:**
- Loan Status:** WVEDA approved pending execution.

* - The Loan Insurance program is not supported by an outstanding loan. Funding is provided from WVEDA Cash balances.

Listed below is a LINS commitment that was in default prior to the commitment expiration:

1. **Borrower Name:** Three Square, LLC
Financial Institution: United Bank, N.A.
Total Loan Value: \$96,207.28
Loan Amount Insured: \$86,586.55
LINS Loan O/S Principal: \$-0-
Loan Maturity Date: 10/2/2018 EXPIRED *
Loan Status: Default
*Still reported by WVEDA since United Bank tendered claim prior to expiration, but bankruptcy has stayed the bank's action to collect from the borrower.

I have also attached the WVEDA's internal report from March 31, 2024, which is provided monthly to the WVEDA Board members for review and discussion at the monthly Board meeting.

*** - The Loan Insurance program is not supported by an outstanding loan. Required funding is provided from WVEDA Cash balances.**

Loan Insurance Report

ORIGINAL FUNDS from 1990	\$7,000,000.00
LESS Funds returned to General Fund 7/2016	(\$3,500,000.00)
REMAINING Original Funds	\$3,500,000.00
subtotal	
PLUS: Legislative appropriation for fund re-capitalization	\$10,000,000.00
PLUS: Legislative appropriation for Mountaintop Beverage of \$25,000,000*	\$0.00
subtotal	\$10,000,000.00
NEW Capitalization funding, TOTAL	\$13,500,000.00
Total WYEDA Loan Insurance Funds available	\$42,926,925.32

* - Restricted to Mountaintop Beverage only, not for general Loan Insurance use.

Insured Projects: Business Name	Bank Code	Commitment Date	Closing Date	Original Amount	Insured %	Original Exposure	Outstanding Balance	Estimated Exposure	Insurance Expiration
Three Square, LLC	FI	9/18/2014	10/2/2014	199,000.00	90.00	179,100.00	96,207.28	86,586.55	10/2/2018
Magnolia Assisted Living, Inc.	QQ	9/19/2019	10/7/2019	520,000.00	80.00	416,000.00	458,984.66	367,187.73	10/7/2027
ABC Holding Company, LLC	QQ	2/20/2020	3/19/2020	1,000,000.00	80.00	500,000.00	626,688.59	500,000.00	3/19/2024
Mountaineer Real Estate, Inc.	PP	10/15/2020	10/22/2020	2,625,000.00	80.00	500,000.00	2,326,032.19	500,000.00	10/22/2024
Supply Solutions, LLC	PP	6/17/2021	6/24/2021	1,000,000.00	80.00	500,000.00	5,850.87	4,680.70	6/24/2025
SmartVac Hydrovac Ltd. Co.	Y	5/20/2021	7/20/2021	224,000.00	80.00	179,200.00	113,567.44	90,853.95	7/20/2025
Old Cape Henry, LLC	QQ	10/15/2020	8/9/2021	613,500.00	80.00	490,800.00	375,936.23	300,748.98	8/9/2025
Classic Marble Company (#3133)	QQ	8/19/2021	12/3/2021	150,000.00	80.00	120,000.00	139,718.33	111,774.66	12/3/2025
Classic Marble Company (#3141)	QQ	8/19/2021	12/3/2021	150,000.00	80.00	120,000.00	107,147.91	85,718.33	12/3/2025
Medical Info Systems Tech, LLC	FF	12/17/2008	1/13/2009	150,000.00	90.00	135,000.00	36,099.61	32,489.65	3/26/2026
Digital Connections, Inc.	PP	3/15/2018	3/26/2018	2,800,000.00	80.00	2,240,000.00	1,366,495.32	1,093,196.26	3/26/2028
NorthStar Technologies, LLC	PP	5/26/2022	9/28/2023	1,500,000.00	80.00	500,000.00	1,162,105.01	500,000.00	9/28/2027
Mountaintop Beverage LLC	C2	9/26/2022	Not yet closed	25,000,000.00	100.00	25,000,000.00	0.00	0.00	Committed
Rose Holdings LLC	PP	10/20/2022	9/28/2023	2,500,000.00	80.00	500,000.00	2,342,870.28	500,000.00	9/28/2027
Tyler Mountain Water Company, Inc.	QQ	8/17/2023	PAID OUT	500,000.00	80.00	400,000.00	0.00	0.00	9/21/2027
RRD, LLC	PP	12/21/2023	1/23/2024	1,000,000.00	80.00	500,000.00	797,318.52	500,000.00	1/23/2028
TOTALS				\$39,931,500.00		\$32,280,100.00	\$9,955,022.24	\$4,673,236.81	

Uncommitted Funds Available (Estimated Exposure - LINS Funds Available)	\$38,253,688.51
MAXIMUM STATUTORY LEVERAGE (five times LINS Funds Available)	\$214,634,626.60
AVAILABLE LOAN INSURANCE EXPOSURE	\$209,961,389.79
ORIGINAL EXPOSURE (TOTAL Original Exposure/Maximum Statutory Leverage)	15.04%
ESTIMATED EXPOSURE (TOTAL Estimated Exposure/Maximum Statutory Leverage)	2.18%

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CLAIMS PAID PROJECT/BUSINESS NAME	BANK CODE	BANK	AMOUNT
Hinton Hardwoods	S	City National Bank	\$141,076.47
Morgan Shirt	C2	Huntington Banks WV, Morgantown	107,900.68
Bob Bennett Ford	C2	Huntington Banks WV, Morgantown	52,737.96
O'Neal's Bakery	T	Rock Branch Community Bank	23,246.00
Mt. State Moulding	R	Belington Bank	101,266.64
Custom Shootin	N2	One Valley Bank, NA, Huntington (BB&T)	36,800.00
Stonewall Jackson State Park	W	WVEDA Comm'l Develop Rev Bonds Series 2000-A & 2000-B	1,000,000.00
Magnographics, Inc.	Z	Williamstown National Bank	16,294.85
Sequelle Communications	F1	United Bank	72,481.84
Capredoni	CC	BB&T	125,889.12
Santiago	DD	Monongahela Valley Bank, Inc.	101,160.60
Western Greenbrier Co-Generation, LLC	BB	FNB of Ronceverte	3,000,000.00
Santiago	O4	Bank One West Virginia, NA, Clarksburg	45,794.88
			<u>45,794.88</u>
			<u>\$4,824,649.04</u>

BANK CODE	BANK NAME
F1	United National Bank, Parkersburg
Y	Citizens Bank of Weston
FF	First State Bank of Barboursville Now Summit Financial Group Inc.
PP	Clear Mountain Bank
QQ	Poca Valley Bank