BROADBAND OFFICE

SC BEAD Main Application Phase



South Carolina Office of Regulatory Staff | July 17, 2025

Disclaimer

Please be advised that these discussions are informal and intended to provide general guidance only. They do not supersede, replace, or amend any information contained within the official Grant Guidelines, Notice of Funding Opportunity (NOFO), or any related policy notices. We can only address programmatic questions and clarify application requirements. We are unable to provide advice on 'how to apply,' offer opinions, or give legal counsel. For formal questions and comprehensive clarification, please refer to the Frequently Asked Questions (FAQs) section of our website

SCBBO is required to evaluate the financial capability of all applicants

The NTIA has published documents (e.g., BEAD NOFO) that provide guidance to evaluate an applicant's ability to complete BEAD projects, including specific requirements to evaluate an applicant's financial capabilities.

BEAD Requirements	Applicants are required to submit:
• **Financial Capability**	a) Certifications that the applicant can meet the financial obligations of the project
• Managerial Capability	**b) A letter from a bank or surety entity committing to issue an irrevocable standby letter of credit or performance bond**
• Technical Capability	**c) An irrevocable standby letter of credit accompanied by an opinion letter from legal counsel or a performance bond**
• Compliance with Laws	d) Audited financial statements
• Operational Capability	e) Sustainability / pro forma analyses of the proposed project
• Ownership	
• Other Public Funding	
• Environmental and National Historical Preservation	
• Build America, Buy America	
• Cybersecurity and Supply Chain Risk Management	

Sources: BEAD Notice of Funding Opportunity (NOFO) and NTIA Letter of Credit Waiver

Applicants can choose between a Letter of Credit OR Performance Bond

	Option 1: Letter of Credit (LoC)	Option 2: Performance Bond
If selected as a provisional awardee	**Provide a commitment letter from a bank or U.S. credit union to issue an irrevocable LoC.** The letter must commit to issue an irrevocable standby LoC if the Applicant is selected as a subgrantee. The commitment letter shall at a minimum include the dollar amount of the LoC and the issuing bank's agreement to follow the terms and conditions of the SCBBO model LoC.	**Provide a commitment letter** from a certified surety on federal bonds. The letter must commit to issue the Applicant a performance bond in the full amount of the subaward if the Applicant is selected as a subgrantee.
Prior to signing the grant agreement	**Provide irrevocable LoC** *(template provided by SCBBO)* in the amount of no less than 10% of the subaward, from a bank that meets the eligibility requirements of 47 C.F.R. § 54.804(c)(2) OR a credit union that: • is insured by the National Credit Union Administration • Has a credit union safety rating issued by Weiss of B- or better **Provide an opinion letter from legal counsel** *(template provided by SCBBO)* stating that in a proceeding under the Bankruptcy Code the bankruptcy court would not treat the letter of credit as property of the winning subgrantee's bankruptcy estate.	**Provide performance bond** *(template provided by SCBBO)* in the amount of 100% of the subaward. *Note: Subgrantees may be allowed to reduce their performance bond amount throughout the project, commensurate with meeting certain milestones.*

Applicants should take the following steps to satisfy the LoC or Performance Bond requirement

Step 1

Due July 24th (Main App submission)

Confirm if provisionally selected, whether the applicant will provide:

- a Letter of Credit in the amount of 10% of the subaward amount, accompanied by an Opinion Letter from third party legal counsel, or
- a Performance Bond in the amount of the full subaward.

Step 2

If provisionally selected

Provide commitment letter for Letter of Credit or Performance Bond from bank, credit union, or surety entity

Step 3

Prior to grant agreement signing

Provide:

- **a Letter of Credit** in the amount of 10% of the subaward amount, accompanied by an Opinion Letter from third party legal counsel, or
- **a Performance Bond** in the full amount of the subaward.