



WHEDA

SMALL BUSINESS GUARANTEE (WSBG) PROGRAM

PURPOSE

- Assist with the expansion or acquisition of an existing small business (in operation for at least 12 months).
 - An expansion may involve a new line complementary to the existing business, such as a landscaping business expanding into retail floral or a lodging facility adding a restaurant.
- Assist in the start-up of a day care business for adults or children.
- Assist in the start-up of a small business located in a vacant storefront in the traditional downtown area of a community.

ELIGIBILITY REQUIREMENTS

- Business is unable to obtain conventional financing at reasonable terms.
- Business employs 250 or fewer full-time equivalent employees at time of application.
- Business is located in Wisconsin.
- Owner is current in child support payments and not in default on any WHEDA loans.
- The project will create or retain jobs.

ELIGIBLE USES OF LOAN PROCEEDS

- Purchase or improve land and buildings including mixed-use properties (property that contains both commercial and residential components).
- Business can occupy as little as 25% of the total building space.
- Purchase or improve machinery and equipment.
- Purchase inventory.
- Fund permanent and revolving working capital.
- Finance soft costs (not to exceed 5% of eligible project costs).
- Refinance existing debt (not to exceed 75% of the WHEDA guaranteed loan).

TERMS AND CONDITIONS (cont. on back)

- Maximum guarantee is the lesser of 50% or \$750,000 for all uses of proceeds except revolving working capital, which is the lesser of 50% or \$200,000. Maximum guarantee terms:
 - Fixed assets, inventory and permanent working capital: 5 years;
 - Revolving working capital: 2 years.

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| <p>TERMS AND CONDITIONS (cont. from front)</p> | <ul style="list-style-type: none"> ■ Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral. ■ Interest rate is set by the lending institution and is subject to WHEDA approval - variable rate loan may not exceed Prime + 2.75%. ■ Loan must be secured by assets being financed and personal guarantees may be required. |
| <p>HOW THE APPLICATION PROCESS WORKS</p> | <ul style="list-style-type: none"> ■ Borrower and lender complete and submit loan guarantee application (Form 4). ■ WHEDA reviews the complete application and renders a decision upon completion of its underwriting. |
| <p>FEES</p> | <ul style="list-style-type: none"> ■ Closing fee*: <ul style="list-style-type: none"> • 3.0% of the guaranteed amount on the loan. ■ Annual servicing fee: <ul style="list-style-type: none"> • 0.50% of the guarantee balance on outstanding loans is due annually and it is to be paid by the Lender. <p><i>* Closing fee may be financed and included in the loan request but will not be guaranteed.</i></p> |
| <p>CONTACT INFORMATION</p> | <ul style="list-style-type: none"> ■ Contact a Commercial Lending Officer <ul style="list-style-type: none"> • Telephone: 608-266-7884 • Toll Free: 800-334-6873 • TTY/TTD: 800-943-9430 <p style="text-align: center;">(Teletypewriter/Telecommunication Device for the Deaf)</p> |



WHEDA

YOUR DREAM. OUR MISSION.

**WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY**

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www.wheda.com



WHEDA supports equal housing opportunities for all persons.