



WHEDA

NEIGHBORHOOD BUSINESS REVITALIZATION GUARANTEE (NBRG) PROGRAM

PURPOSE	<ul style="list-style-type: none">■ Stimulate economic development in redeveloping urban neighborhoods of communities with populations greater than 35,000.■ Stimulate economic development in other areas where the project will be catalytic and create jobs by:<ul style="list-style-type: none">• Bringing or expanding businesses into the area;• Developing or rehabilitating commercial real estate, including mixed-use properties, where a business occupies a portion of the building.
BUSINESS ELIGIBILITY REQUIREMENTS	<ul style="list-style-type: none">■ Existing business with annual revenues of under \$5 million, or;■ Developers who have experience in the development of commercial properties (developers need not occupy any portion of the property, however, some component of commercial utilization is required).■ Developer is current in child support payments and not in default on any WHEDA loans.
ELIGIBLE USES OF LOAN PROCEEDS	<ul style="list-style-type: none">■ Purchase or improve land and buildings.■ 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	<ul style="list-style-type: none">■ Maximum guarantee is the lesser of 50% or \$750,000, except for revolving working capital which is the lesser of 50% or \$200,000.■ Maximum guarantee term:<ul style="list-style-type: none">• Fixed assets, inventory, permanent working capital: 5 years;• Revolving working capital: 2 years.■ 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, additional collateral and personal guarantees may be required.

HOW THE APPLICATION PROCESS WORKS

- Borrower and lender complete and submit Loan Guarantee Application (Form 4) if the Borrower is an existing business.
- Borrower and lender complete and submit Neighborhood Business Revitalization Guarantee Application (Form 5) if the Borrower is a Developer.
- WHEDA reviews the complete application and renders a decision upon completion of its underwriting process.

FEES

- Closing fee*:
 - 3.0% of the guaranteed amount on the loan.
 - Annual servicing fee:
 - 0.50% of the guarantee balance on outstanding loans is due annually and it is to be paid by the Lender.
- * *Closing fee may be financed and included in the loan request but will not be guaranteed.*

CONTACT INFORMATION

- Contact a Commercial Lending Officer
 - Telephone: 608-266-7884
 - Toll Free: 800-334-6873
 - TTY/TTD: 800-943-9430
(Teletypewriter/Telecommunication Device for the Deaf)



WHEDA

TOGETHER WE BUILD WISCONSIN®

**WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY**

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WHEDA supports equal housing opportunities for all persons.