



WHEDA

CONTRACTORS LOAN GUARANTEE (CLG) PROGRAM

PURPOSE	<ul style="list-style-type: none">■ Assist in the development/expansion of small businesses by providing the opportunity to enter into contracts with eligible organizations.■ Participants in this guarantee may obtain new loans or non-revolving lines of credit to pay expenses necessary to perform on an eligible contract.
ELIGIBILITY REQUIREMENTS	<ul style="list-style-type: none">■ Business is unable to obtain conventional financing at reasonable terms.■ Business employs 250 or fewer full-time equivalent employees at time of application.■ Business must have been in operation for at least 12 months.■ 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 CONTRACTS	<ul style="list-style-type: none">■ This guarantee is available to a business which has been awarded a contract/sub-contract, purchase order, or other instrument approved by WHEDA from any of the following:<ul style="list-style-type: none">• Local government agency;• State or Federal agency;• Businesses with gross annual sales of at least \$5 million.
ELIGIBLE USES OF LOAN PROCEEDS	<ul style="list-style-type: none">■ Expenses necessary to complete an awarded contract or purchase order, which may include:<ul style="list-style-type: none">• Employee salaries, wages and benefits;• Inventory, supplies and specific equipment needed to perform the contract.
TERMS AND CONDITIONS (cont. on back)	<ul style="list-style-type: none">■ Maximum guarantee is the lesser of 50% or \$750,000.■ Maximum guarantee term is the term of the underlying contract, purchase order, or other instrument approved by WHEDA. Equipment loans can be up to 5 years.■ Interest rate is set by the lending institution and is subject to WHEDA approval - variable rate loan may not exceed Prime + 2.75%.

**TERMS AND
CONDITIONS**
(cont. from front)

- Loan must be secured by either and/or all of the following:
 - **If working capital** – General Business Security Agreement and/or Assignment of Contract Proceeds;
 - **If equipment** – General Business Security Agreement and/or Specific Security Interest.

**HOW THE
APPLICATION
PROCESS
WORKS**

- Lender completes and submits the **Eligibility Checklist for Delegated Underwriting – Contractors Loan Guarantee Program.**
- WHEDA reviews the complete application and renders a decision upon completion of its underwriting process.
- WHEDA intends to maintain the parameters of the Contractor Loan Guaranty Program set forth in this term sheet until the earlier of: (a) June 30, 2020, or (b) \$10,000,000 in guaranty authority has been used. WHEDA reserves the right to change the parameters at any time.

FEEES

- Closing fee*:
 - 3.0% of the guaranteed amount on the loan.
- * *Closing fee may be financed and included in the loan request but will not be guaranteed.*

**CONTACT
INFORMATION**

- Contact a Business and Community Engagement Officer
 - Telephone: 414-227-4039
 - Toll Free: 800-628-4833
 - TTY/TTD: 800-943-9430
(Teletypewriter/Telecommunication Device for the Deaf)



WHEDA

TOGETHER WE BUILD WISCONSIN®

**WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY**

201 West Washington, Ste. 700
Madison, WI 53703
www.wheda.com



WHEDA supports equal housing opportunities for all persons.