



WHEDA

AGRIBUSINESS GUARANTEE (AGBG) PROGRAM

PURPOSE

- Assist in the startup, acquisition, or expansion of a business that develops products using Wisconsin's raw agricultural commodities.
 - The term "raw agricultural commodity" refers to any agricultural, aquacultural, horticultural, viticultural, vegetable, poultry, and livestock products produced in Wisconsin, including milk and milk products, bees and honey products, timber and wood products, or any class, variety or utilization of the products, in their natural state.

ELIGIBILITY REQUIREMENTS

- Business must start with a Wisconsin-grown, raw agricultural commodity and do one of the following:
 - Create a product new to the business;
 - Expand production of an existing product that will increase the use of a raw agricultural commodity;
 - Enhance the efficiency of the business
- Business is unable to obtain conventional financing at reasonable terms.
- Business is located in Wisconsin in an area with a population under 50,000.
- Owner is current in child support payments and not in default on any WHEDA loans.

ELIGIBLE USES OF LOAN PROCEEDS

- Purchase or improve land and buildings.
- Purchase or improve machinery and equipment.
- Purchase inventory.
- Fund permanent working capital.
- Fund initial marketing expenses associated with making the product available to consumers.

TERMS AND CONDITIONS (cont. on back)

- Maximum guarantee is the lesser of 50% or \$750,000.
- Maximum guarantee terms:
 - Fixed assets: 5 years;
 - Inventory and permanent working capital: 5 years.
- Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral.

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

- 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**

- Lender must complete and submit an AGBG Eligibility Form (Form 3).
 - WHEDA determines business and project eligibility and will render that decision within one business day.
- Upon eligibility approval, lender shall complete and submit Loan Guarantee Application (Form 4) within 90 days of eligibility determination.
- WHEDA reviews the complete application and renders a decision upon completion of its underwriting process.

FEEES

- 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 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

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WHEDA supports equal housing opportunities for all persons.