



# WHEDA

## TRANSFORM MILWAUKEE LOAN GUARANTEE (TMG) 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.
- The project is located in the city of Milwaukee.

### 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.

### TERMS AND CONDITIONS (cont. on back)

- Maximum guarantee is the lesser of 80% or \$750,000 for all uses of proceeds except revolving working capital, which is the lesser of 80% 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><b>TERMS AND CONDITIONS</b><br/>(cont. from front)</p> | <ul style="list-style-type: none"> <li>■ Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral.</li> <li>■ Interest rate is set by the lending institution and is subject to WHEDA approval - variable rate loan may not exceed Prime + 2.75%.</li> <li>■ Loan must be secured by assets being financed and personal guarantees may be required.</li> </ul> |
| <p><b>HOW THE APPLICATION PROCESS WORKS</b></p>           | <ul style="list-style-type: none"> <li>■ Borrower and lender complete and submit loan guarantee application (Form 4).</li> <li>■ WHEDA reviews the complete application and renders a decision upon completion of its underwriting.</li> </ul>  |
| <p><b>FEEES</b></p>                                       | <ul style="list-style-type: none"> <li>■ There are no origination or servicing fees for this program.</li> </ul>  |
| <p><b>CONTACT INFORMATION</b></p>                         | <ul style="list-style-type: none"> <li>■ Contact a Commercial Lending Officer <ul style="list-style-type: none"> <li>• Telephone: 608-266-7884</li> <li>• Toll Free: 800-334-6873</li> <li>• TTY/TTD: 800-943-9430<br/>(Teletypewriter/Telecommunication Device for the Deaf)</li> </ul> </li> </ul>  |



# WHEDA

YOUR DREAM. OUR MISSION.

**WISCONSIN HOUSING AND  
ECONOMIC DEVELOPMENT AUTHORITY**

201 West Washington, Ste. 700  
Madison, WI 53703  
[www.wheda.com](http://www.wheda.com)



WHEDA supports equal housing opportunities for all persons.