



# WHEDA

## PARTICIPATION LENDING PROGRAM (WPLP)

### PURPOSE

- The WPLP is intended to provide Wisconsin businesses with financing that could not otherwise be secured through traditional lending.
- The program partners WHEDA with local community participating lenders, banks, credit unions, economic development corporations, community development financial institutions, small business investment corporations, and other entities that provide commercial loans in the state.
- Features and benefits include:
  - Reduced risk for the participating lender;
  - Provides access to competitively-priced gap and mezzanine financing;
  - Available for use during construction—including SBA 504 construction loans.

### ELIGIBLE BUSINESSES

- Facilities for manufacturing or commercial real estate activities.
- National or regional headquarters facilities.
- Facilities for the storage or distribution of products of manufacturing activities, materials, components or equipment.
- Facilities for the retail sale of goods or services.
- Facilities for research and development activities.
- Recreational and tourism facilities serving to attract visitors to this state.
- Facilities for the production, packaging, processing or distribution of raw agricultural commodities.
- Facilities for engaging in the business of operating a railroad.
- Facilities for recycling.
- Businesses where the principals do not owe past-due child support.
- Activities of a long-term nature, such as research and development, or long-term working capital may also be eligible. In addition, equipment, materials or labor used to make an energy-conserving improvement to a commercial or industrial facility would also be eligible.

### TERMS

- Maximum WHEDA participation rate of 50% of loan amount.
- Maximum WHEDA loan participation of \$2 Million.
- Maximum Term: 10 years for fixed assets, 15 years for real estate (target less than 7 Years).
- Maximum combined LTV: 85% or 90% on SBA 504 Construction Loans.

<p><b>FEEES</b></p>	<ul style="list-style-type: none"> <li>■ Nonrefundable \$250 application fee (Credit toward origination fee at closing if approved).</li> <li>■ Origination fee and interest rate: Varies with risk, structure, and complexity of transaction (generally between 1-3%).</li> </ul>
<p><b>HOW IS AN APPLICATION UNDERWRITTEN</b></p>	<ul style="list-style-type: none"> <li>■ The underwriting process begins when the participating lender provides WHEDA with all documentation and materials listed in the loan checklist, together with a nonrefundable application fee of \$250.</li> <li>■ WHEDA reviews the participating lender’s application package. The business will be evaluated against WHEDA’s credit criteria to determine the risk associated with the transaction. During this process, a site visit may be performed by WHEDA.</li> <li>■ WHEDA underwrites the loan participation request against standard underwriting criteria to assure a consistent and objective process. Underwriting is also subject to a quantitative risk rating system used both in evaluating credit criteria and in establishing risk-based pricing.</li> </ul>
<p><b>PRIORITY CONSIDERATIONS</b></p>	<ul style="list-style-type: none"> <li>■ WHEDA will give priority to economic development projects which: <ul style="list-style-type: none"> <li>• Maintain or increase employment in Wisconsin</li> <li>• Will be located in an area of high unemployment or low average income</li> <li>• Provide services or activities that would otherwise not be available in the community or in Wisconsin</li> <li>• Are more than 50% owned by women or minorities.</li> <li>• Have current gross annual sales of \$5 Million or less or that employ 250 or fewer people.</li> <li>• For new businesses, have less than 50% of their ownership held or controlled by another business and have their principal business operations in this state.</li> <li>• Have multiple financial institutions or other financing sources participating in the economic development project.</li> </ul> </li> </ul>
<p><b>ELIGIBLE USES OF LOAN PROCEEDS</b></p>	<ul style="list-style-type: none"> <li>■ Land purchase;</li> <li>■ Facility purchase or construction (office, plant, production facilities, etc.);</li> <li>■ Equipment;</li> <li>■ Long-term (permanent) working capital;</li> <li>■ Equipment, materials and labor employed in improvements to commercial facilities that result in energy conservation;</li> <li>■ Facilities for the production, packaging, processing or distribution of raw agricultural commodities.</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 • Toll Free: 800-334-6873</li> <li>TTY/TTD: 800-943-9430 (Teletypewriter/Telecommunication Device for the Deaf)</li> <li>• Wisconsin Housing and Economic Development Authority, 201 West Washington, Ste. 700, Madison, WI 53703, <a href="http://www.wheda.com">www.wheda.com</a></li> </ul> </li> </ul>

