



# WHEDA

## PARTICIPATION LENDING PROGRAM (WPLP) SBA 504 BRIDGE FINANCING

<b>PURPOSE</b>	<ul style="list-style-type: none"><li>■ WHEDA's 504 participation program provides lenders with participation financing during the interim period before the sale of the SBA guaranteed debenture.</li></ul>
<b>ELIGIBLE BORROWERS/ PROJECTS</b>	<ul style="list-style-type: none"><li>■ For-profit, certain cooperatives, or other entities meeting criteria established by WHEDA and SBA.</li><li>■ Projects demonstrating job retention/creation, strong community support, and which qualify under 1), 2), or 3) below.<ol style="list-style-type: none"><li>1) Land, plant or equipment for any of the following:<ol style="list-style-type: none"><li>a. Facilities for manufacturing or commercial real estate activities.</li><li>b. National or regional owner occupied headquarters facilities.</li><li>c. Facilities for the storage or distribution of products of manufacturing activities, materials, components, or equipment.</li><li>d. Facilities for the retail sale of goods or services.</li><li>e. Facilities for research and development activities.</li><li>f. Recreational and tourism facilities serving to attract visitors to this state.</li><li>g. Facilities for the production, packaging, processing or distribution of raw agricultural commodities.</li><li>h. Facilities for engaging in the business of operating a railroad.</li><li>i. Facilities for recycling.</li></ol></li><li>2) Activities of a long-term nature, such as research and development.</li><li>3) Equipment, materials, or labor used to make an energy-conserving improvement to a commercial or industrial facility.</li><li>4) Project results in job creation/retention. Borrower required to report job creation/retention.</li><li>5) SBA approved loans. Commitment to be provided prior to closing.</li></ol></li></ul>
<b>RATE</b>	<ul style="list-style-type: none"><li>■ WHEDA's rate matches the Lender's rate when sharing the same collateral position, or the rate will be risk based if WHEDA is assuming a subordinated collateral position. The Lender may retain a servicing fee up to 25 basis points from the rate paid to WHEDA.</li></ul>

<b>TERMS</b>	<ul style="list-style-type: none"> <li>■ Construction period – up to 18 months. Extensions will be considered on a case by case basis. Repayment occurs when SBA 504 debentures are sold.</li> </ul>
<b>LOAN SIZE</b>	<ul style="list-style-type: none"> <li>■ Maximum WHEDA participation is \$2 million.</li> </ul>
<b>PARTICIPATION REQUIREMENT</b>	<ul style="list-style-type: none"> <li>■ A minimum of 50% of the total project lending to be made by a participating lender(s)</li> </ul>
<b>COLLATERAL</b>	<ul style="list-style-type: none"> <li>■ Typically pro-rata shared lien but subordinate lien positions may be considered on a case by case basis and is subject to risk based pricing.</li> </ul>
<b>LOAN-TO-VALUE</b>	<ul style="list-style-type: none"> <li>■ Maximum 90% LTV on a project basis.</li> </ul>
<b>DEBT COVERAGE RATIO</b>	<ul style="list-style-type: none"> <li>■ 1.10 minimum</li> </ul>
<b>COLLATERAL COVERAGE</b>	<ul style="list-style-type: none"> <li>■ 110% of market value, 80% of liquidation value - minimum</li> </ul>
<b>LOAN GUARANTEES</b>	<ul style="list-style-type: none"> <li>■ Personal guarantees will be requested</li> </ul>
<b>FEES</b>	<ul style="list-style-type: none"> <li>■ Application Fee: <ul style="list-style-type: none"> <li>• \$250, non-refundable but will be credited at closing.</li> </ul> </li> <li>■ WHEDA Origination Fee: <ul style="list-style-type: none"> <li>• 1% of WHEDA participation amount. One half due upon loan approval and one half due at closing.</li> </ul> </li> <li>■ Loan Closing Fee <ul style="list-style-type: none"> <li>• Borrower to pay all loan closing fees.</li> </ul> </li> </ul>
<b>CONTACT INFORMATION</b>	<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 (Teletypewriter/Telecommunication Device for the Deaf)</li> </ul> </li> </ul>



**WHEDA**

TOGETHER WE BUILD WISCONSIN®

**WISCONSIN HOUSING AND  
ECONOMIC DEVELOPMENT AUTHORITY**

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