

WHEDA

Eligibility Checklist for Delegated Underwriting Contractors Loan Guarantee Program

TO BE COMPLETED BY THE LENDER

LEGAL NAME OF BORROWER _____

NAME OF BUSINESS _____

TYPE OF BUSINESS _____

TAX ID# _____

BUSINESS ADDRESS _____

CITY, STATE, COUNTY _____

CONTACT PERSON & PHONE # _____

PROJECT COUNTY _____

DESCRIPTION OF PROJECT _____

The WHEDA Contractors Loan Guarantee is intended to assist in the development/expansion of small businesses by providing the opportunity to enter into contracts with eligible organizations. To participate in WHEDA's Contractors Loan Guarantee Program, the business and contract must meet statutory requirements. Please complete this checklist following the instructions for each section.

The lender must also complete [Form 1: Master Guarantee Agreement](#) and [Form 2A: ACH Agreement](#) found on wheda.com under "Developers & Property Managers" → "Forms, Manuals & Resources" → "Business Guarantee Forms"

I. Business Eligibility

Place a check in each box confirming the business meets the following (each box must be checked to qualify):

- The business is unable to obtain conventional financing at reasonable terms.
- The business employs 250 or fewer full time equivalents (FTE) at the time of application.
- The business has been in operation for at least 12 months.
- The business is located in Wisconsin.
- The business owner(s) is(are) current in child support payments and not in default on any WHEDA loans.
- The project will create or maintain jobs.
- The project is not involved in the any of the following:
 - Direct production of agricultural commodities
 - Adult Entertainment

- Community Based Residential Facilities
- Business where more than 1/3 of gross receipts are from gambling
- Business where more than 3/4 of gross receipts are from alcohol sales
- Real estate investment or speculation

II. Eligible Contracts

Place a check mark in the box describing the type of contract/sub-contract, purchase order, or other instrument (approved by WHEDA) awarded. At least one box must be checked to qualify:

- Local government agency; Name of Agency: _____
- State or Federal agency; Name of Agency: _____
- Business w/ gross annual sales of at least \$5 million;
 - i. Name of Contract Provider _____

III. Use of Proceeds

Participants may obtain new loans or non-revolving lines of credit to pay expenses necessary to perform on an eligible contract or purchase order. Please check the boxes corresponding to the use of proceeds.

- Working Capital
- Equipment needed to perform on the contract; Describe Equipment _____

IV. Term, Rate and Loan Fees

Place a check in each box confirming the WHEDA Contractor Loan Guarantee meets all the terms and conditions of the program (each box must be checked to qualify):

- Proposed loan amount: \$ _____
- The maximum guarantee is the lesser of 50% or \$750,000
- The 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.
- The loan interest rate, if variable, does not exceed Prime + 2.75%.
- Lender agrees to a closing fee of 3.0% of the guaranteed amount of loan

The project loan is being secured by (check all that apply):

- If Working Capital – General Business Security Agreement and/or Assignment of Contract Proceeds
- If Equipment – General Business Security Agreement and/or Specific Security Interest

V. Credit Criteria

The lender has reviewed and agrees with the following criteria. Please check the box confirming the business/project meets a:

Minimum collateral coverage of 100%

VI. Attestations

The lender has obtained verification on borrower attestations listed below. In the event the Borrower is unable to attest to the following, **a written explanation must be attached to this eligibility form**

Borrower Attestations:

A. The owners of the business:

- Are U.S Citizens
- Have never been convicted of any criminal offense other than minor motor vehicle violations
- Do not have any unsatisfied judgments, or have been a party in any litigation, including real estate foreclosure or bankruptcy within the past 7 years
- Are not delinquent on any of the following taxes: Federal Income, State Income, FICA, Unemployment, Real Estate, Personal Property, Sales & Withholding
- Are not delinquent in child support or maintenance payments.

LENDER CERTIFICATIONS

- 1) Based on the analysis and review performed by the lender, the lender believes that if the borrower received a WHEDA Contractors Loan Guarantee, the Borrower's assets, projected cash flow and managerial ability are sufficient to preclude voluntary or involuntary liquidation before the end of the loan term and that they will be able to repay the proposed loan in full.
- 2) The lender certifies that without the Wisconsin Housing and Economic Development Authority's ("WHEDA") Contractors Loan Guarantee on the project, the lender would not be willing to make this loan with the same terms and conditions.
- 3) The lender's employees, officers, directors or substantial stockholders do not have more than a 10% financial interest in the business requesting the Contractors Loan Guarantee.
- 4) The information presented in this Eligibility Checklist is true and accurate to the best of the lender's knowledge. The lender understands that submitting false or misleading information in connection with this loan may result in the denial or termination of the lender's request for WHEDA's Contractors Loan Guarantee. The lender further understands that the legal implication of receiving public or private funds or other property as a consequence of false representations and the use of such funds for any purpose other than those stated constitutes an act of fraud. False, misleading, or incomplete information may result in the termination of WHEDA's Contractors Loan Guarantee.
- 5) It is the responsibility of the lender to insure that all Loan documentation is fully and accurately complete/executed and that appropriate Loan files are maintained throughout the term of the Loan. The file may include, but may not be limited to, environmental reports, surveys, plans and specifications and borrower resolutions. WHEDA reserves the right to audit the lender's Loan file as it may deem necessary and prudent.
- 6) Lender understands WHEDA intends to maintain the parameters of the Contractor Loan Guaranty Program herein 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.

Legal Name of Financial Institution: _____

Signature of Loan Officer: _____

Name: _____

Title: _____

Date: _____

**Mail to:
Commercial Lending Group
WHEDA
PO Box 1728
Madison WI 53701-1728**