

PARTICIPATION LOAN PROGRAM APPLICATION



WHEDA

**201 West Washington Avenue, Suite 700
PO Box 1728
Madison WI 53701-1728
608-266-7884**

**611 W National Avenue, Suite 110
Milwaukee WI 53204-1768
414-227-4039**

September 2017

PARTICIPATION LOAN PROGRAM APPLICATION

| |
|--|
| For WHEDA Use Only Date Received: _____ Application #: _____ MID: _____ CLO: _____ |
|--|

1. BORROWER INFORMATION

| | | |
|---|-----------|------|
| Borrower Name: | | |
| Borrower Contact: | | |
| Borrower Address: | | |
| City: | Wisconsin | Zip: |
| County: | | |
| Telephone: | Fax: | |
| Email Address: | | |
| Ownership Type: Sole Proprietorship Partnership C-Corp Sub S Corp LLC Not-for Profit Other | | |
| Tax ID: | | |

2. BUSINESS INFORMATION

| | | |
|---|-----------|---------------|
| Name of Business: | | |
| Business Contact: | | |
| Business Address: | | |
| City: | Wisconsin | Zip: |
| County: | | Census tract: |
| Telephone: | Fax: | |
| Email Address: | | |
| Ownership Type: Sole Proprietorship Partnership C-Corp Sub S Corp LLC Not-for Profit Other | | |

1. When was the business originally established? _____
2. When did/will you establish or purchase this business? _____
3. Report the gross annual sales for the past two years:
 Year _____ \$ _____ Year _____ \$ _____
4. Do you buy from, sell to or use the services of any business in which someone from your company has a significant (80% control) financial interest? Yes _____ No _____
 (If yes, provide subsidiary or affiliate financial statements)
5. How many FTE employees does this business currently employ? _____
 Include the owner(s) that are actively engaged in the day-to-day operation of the business.

3. OWNER AND MANAGEMENT INFORMATION

Owners: List all individuals who have an ownership interest in the business

| Name and Social Security Number | Title | % Owned | Race | Gender |
|---------------------------------|-------|---------|------|--------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | 100% | | |

Management: List the key managers who are vital to the day-to-day operations

| Name | Title | Primary Responsibilities |
|------|-------|--------------------------|
| | | |
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| | | |
| | | |

4. LENDER

| | | |
|-----------------------|--------|------|
| Participation Lender: | | |
| Loan Officer/Contact: | | |
| Address: | | |
| City: | State: | Zip: |
| County: | | |
| Telephone: | Fax: | |
| Email Address: | | |

5. LOAN PARTICIPATION

PROPOSED FINANCING INFORMATION

| | | | |
|------------------------|--------|----------------------------|----------|
| Total Loan Amount | \$ | WHEHA Participation Amount | \$ |
| Proposed Interest Rate | % | Fixed | Variable |
| Term | Months | Amortization | Months |
| Proposed Closing Date | | | |

| | | |
|---|--|--|
| FINANCING TYPE <i>(Check all that apply)</i> | | |
| Construction & Permanent Mortgage | | |
| Permanent only | | |
| Construction only | | |
| Other | | |

6. LEVERAGING SUPPORT

Provide a list of the amounts and sources of other funding used in conjunction with this project.

| FUNDING SOURCE | AMOUNT | TYPE |
|---|--------|------|
| Matching Funds (provide source under "Type") | \$ | |
| Community Involvement (types include TIF, grants, revolving loan funds, etc.) | \$ | |
| Other Credit Enhancement/Loan Guarantee (types include SBA, USDA, etc.) | \$ | |
| TOTAL | | |

7. ECONOMIC IMPACT

Provide answers to and explanations for the following:

| | YES/NO | EXPLANATION |
|--|--------|-------------|
| Will the project provide a service not currently available in the community? | | |
| Will the project support other businesses in the community? | | |
| Will the project provide entry-level jobs in high unemployment areas? | | |

8. SOURCES AND USES OF ENTIRE PROJECT

Provide the **total** project costs including the proposed or actual financing source.

| | WHEDA | Equity | Other: | | Total |
|--|-------|--------|--------|--------|-------|
| | | | Amount | Source | |
| Land/Building | \$ | \$ | \$ | | \$ |
| Construction/Expansion | \$ | \$ | \$ | | \$ |
| Repairs/Improvements | \$ | \$ | \$ | | \$ |
| Furniture/Fixtures | \$ | \$ | \$ | | \$ |
| Machinery/Equipment | \$ | \$ | \$ | | \$ |
| Inventory ¹ | \$ | \$ | \$ | | \$ |
| Refinancing ¹ | \$ | \$ | \$ | | \$ |
| Permanent Working Capital | \$ | \$ | \$ | | \$ |
| Revolving Working Capital ¹ | \$ | \$ | \$ | | \$ |
| Marketing Expenses ¹ | \$ | \$ | \$ | | \$ |
| Goodwill ¹ | \$ | \$ | \$ | | \$ |
| WHEDA Fees ¹ | \$ | \$ | \$ | | \$ |
| Other: | \$ | \$ | \$ | | \$ |
| TOTAL | \$ | \$ | \$ | | \$ |

¹Not eligible uses under the Participation Loan Program.

9. COLLATERAL

In the table below, enter all figures in actual numbers.

| Collateral Item | Collateral Value ¹ | Valuation Source | Prior Liens | Name of Lienholder(s) | Proposed lien position |
|----------------------|-------------------------------|------------------|-------------|-----------------------|------------------------|
| Land/Building | \$ | | \$ | | |
| Machinery/Equipment | \$ | | \$ | | |
| Inventory | \$ | | \$ | | |
| Accounts Receivable | \$ | | \$ | | |
| Personal Real Estate | \$ | | \$ | | |
| Other: | \$ | | \$ | | |
| Other: | \$ | | \$ | | |
| Total | \$ | | \$ | | |

¹Use the lower of cost or market value. Real estate values should be based on an appraisal less than 12 months old.

TO BE COMPLETED BY BORROWER

10. SCHEDULE OF CURRENT INDEBTEDNESS (existing businesses only)

As of: _____ (within 90 days of application)

Include all business debts except accounts payable and accrued expenses. Do not list any personal debts. Attach additional pages, if necessary.

| Creditor | Loan Purpose | Original Balance | Origination Date | Current Balance | Interest Rate | Maturity Date | Monthly Payment | Collateral | Payment Status |
|----------|--------------|------------------|------------------|-----------------|---------------|---------------|-----------------|------------|----------------|
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| | | | | | | | | | |
| | | Total | | Total | | Total | | | |

Indicate if the loan is current or delinquent.

LENDER CERTIFICATION

TO BE COMPLETED BY LENDER

1. Based on the analysis and review performed by the lender, the lender believes that the borrower will be able to repay the proposed loan in full.

2. Lender's employees, officers, directors or substantial stockholders do not have more than a 10% financial interest in the business applicant.

3. The information presented in the Participation Loan Program application and supporting information (submitted to WHEDA or retained in lender's own file) 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 application may result in the termination of WHEDA's participation. The lender further understands that the legal implications 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 participation.

The lender further acknowledges that this information is being submitted to WHEDA to assist in determining whether to participate on the proposed loan. The lender acknowledges that WHEDA reserves the right to request additional information it deems necessary in making its decision.

Legal Name of Financial Institution: _____

Signature of Loan Officer: _____

Print Name: _____

Title: _____ Date: _____

PARTICIPATION LOAN PROGRAM CHECKLIST

PART I: PROJECT AND BORROWER INFORMATION

- A. Please submit the items listed on this checklist that are applicable to the proposed project. Enter "N/A" for items that do not apply.
- B. If your credit proposal (item #3) includes information requested on the checklist, reference that next to the appropriate checklist item.
- C. Your application will not be reviewed until a complete application, including a \$250 application fee is received.

- _____ 1. Non-refundable Application Fee of \$250
- _____ 2. Completed PLP Application
- _____ 3. Completed Lender Credit Proposal addressing project cash flow, collateral coverage, management capacity and market conditions
- _____ 4. Business Plan, if completed
- _____ 5. Sources and Uses of Funds for the project
- _____ 6. Number of full time jobs being created/retained with salaries above and below \$23,000/year
- _____ 7. List of all owners with their Social Security number and percent ownership in the business
- _____ 8. Description of the business and proposed project
- _____ 9. Resumes of key management and any owners with 20% or more ownership in the business
- _____ 10. Bylaws/Operating Agreement/Partnership Agreement
- _____ 11. Articles of Incorporation/Organization
- _____ 12. Community Support Letters (if any)
- _____ 13. Copies of Commitment Letters from other project funding sources
- _____ 14. Other Project Documentation **as applicable to the project**
 - ✓ Offers to Purchase
 - ✓ Bids or Estimates on Construction Costs
 - ✓ Evidence of Site Control
 - ✓ Purchase Agreement
 - ✓ Cost Breakdown of Equipment and Machinery
 - ✓ Market Study Analysis
 - ✓ Property Survey

PART II: FINANCIAL INFORMATION:

- _____ 1. Last three years' audited or reviewed Financial Statements OR Federal Tax Returns and all supporting schedules of the business if audits/reviewed statements are not available.
NOTE: If subsidiaries exist, also provide the most current financial statement of the subsidiary(s)
- _____ 2. Interim accountant prepared Balance Sheet and Income Statements dated within 90 days of the application
- _____ 3. Three years of projected Balance Sheets and Income Statements including assumptions
- _____ 4. Monthly Business Cash Flow Statement for year one and Annual Cash Flow Statement for years two and three
- _____ 5. Personal Financial Statements dated within 90 days of the application for any owner with greater than 20% ownership and the last two years of tax returns
- _____ 6. Credit reports of any owners with at least 20% ownership in the business. Must be dated within 90 days of application
- _____ 7. Most recent financial statement of key tenants if the property will be leased

PART III: COLLATERAL INFORMATION:

- _____ 1. Copies of current real estate and equipment appraisals and the most recent property tax assessment
- _____ 2. Copies of leases or letters of intent for property to be leased
- _____ 3. Copies of Environmental Site Reports and Studies for Real Estate Properties

PART IV: OTHER DOCUMENTATION:

- _____ 1. Signed and dated Borrower Declaration Form and Jobs Data Collection Statement (provided by WHEDA)
- _____ 2. Information provided to the Participating Lender, but not requested on this checklist

**Mail to:
WHEDA
Commercial Lending
201 West Washington Ave., Suite 700
PO Box 1728
Madison WI 53701-1728**



WHEDA

To be completed by borrower

BORROWER /CONTACT _____

NAME OF BUSINESS _____

BORROWER ADDRESS _____

CITY, STATE, COUNTY _____

BORROWER EMAIL _____

BORROWER PHONE # _____

BORROWER FAX # _____

PARTICIPATING LENDER _____

LOAN OFFICER/CONTACT _____

LENDER ADDRESS _____

CITY, STATE, COUNTY _____

LENDER EMAIL _____

BORROWER DECLARATIONS

- 1. Are all of the ownership parties U.S. Citizens?
If no, attach copy of Alien Registration Card (Form I 688 or I 551) Yes No
- 2. Have any of the parties ever been convicted of any criminal offense
other than minor motor vehicle violations?⁹ Yes No
- 3. Do any unsatisfied judgments exist against any ownership parties, principal(s)
or any related party?⁹ Yes No
- 4. Have any of the parties ever been involved in any litigation, including
real estate foreclosure or bankruptcy within the past 7 years?⁹ Yes No
- 5. Are any of the parties delinquent in child support or maintenance payments?⁹ Yes No
- 6. Are any of the parties delinquent on any of the following taxes:
Federal Income, State Income, FICA, Unemployment, Real Estate,
Personal Property, Sales & Withholdings?⁹ Yes No
- 7. Does the proposed loan provide financing for any of the following? Yes No
 - Facilities for manufacturing 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 to consumers
 - Facilities for research and development activities relating to productions of tangible products
 - 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

⁹If any of the questions 2-6 or 10-11 were answered "Yes", attach a detailed explanation signed and dated by the borrower(s).

8. Is the project financed by the proposed loan located in the State of Wisconsin? Yes No
9. If the proposed loan being used to refinance debt not in conjunction with job creation or business expansion? Yes No

The undersigned, on behalf of the borrower, hereby certifies that:

1. The information presented in this application and the accompanying supporting information is true and accurate and has been prepared with due diligence. The borrower understands that submitting false or misleading information in connection with this application may result in the borrower being found ineligible for financial assistance. The borrower 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 purposes other than those stated constitutes an act of fraud.
2. The borrower further acknowledges that this information is being submitted to the Wisconsin Housing and Economic Development Authority ("WHEDA") to assist in determining whether to provide the proposed loan. The borrower acknowledges that WHEDA reserves the right to request additional information it deems necessary in making its decision.
3. The borrower agrees to provide WHEDA within 12 months after the project is completed or two years after a loan is issued to finance the project, whichever is sooner, the net number of jobs eliminated, created, or maintained on the project site and elsewhere in this state as a result of the project.
4. The borrower agrees to indemnify and hold harmless WHEDA, its members, officers, employees and agents, from and against any and all claims, suits, damages, costs and expenses arising out of WHEDA's review of and decisions with regard to the application. WHEDA's analysis and review of the application and related documentation is for their own purposes. The borrower is not entitled to rely on such analysis and review. WHEDA is not responsible for any actions taken by the borrower in reliance on a prospective loan commitment from WHEDA. WHEDA is not liable for damages resulting directly or indirectly from such actions. A financing commitment does not exist until WHEDA has issued a Loan Authorization.
5. The borrower, by initialing the line below, grants permission to WHEDA to issue a press release of the Loan Approval.
 _____ Owner/Borrower Initials

If borrower is a sole proprietorship or partnership, sign below:

By: _____

Print Name: _____ Date: _____

If borrower is a corporation, sign below:

Corporation Name: _____

By President: _____

Print Name: _____ Date: _____

**Mail to: Economic Development
 WHEDA
 201 West Washington Ave.
 Suite 700
 Madison WI 53703**



Jobs Data Collection Statement Economic Development

Business/Project Name:

Business/Project City:

Borrowing/Ownership Entity:

WHEDA Project Number (Internal Use Only):

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Tip: You are required to fill out all the fields for Current, Year 1, Year 2, and Year 3. Do not leave one of these fields blank, if the value is zero, enter a zero.

1) Current FTE Employees:

a) Current FTE¹ including owners.

| Current |
|---------|
| |

2) Created New FTE Jobs - Permanent:

a) Estimated new FTE¹ to be hired after the transaction closes, do not include current FTE¹ transferred as part of the planned construction/business transaction.

| Estimated ³ Year 1 | Estimated ³ Year 2 | Estimated ³ Year 3 |
|----------------------------------|----------------------------------|----------------------------------|
| | | |

b) Of the Created New FTE Jobs - Permanent: how many of those will pay a salary at or greater than: \$14.45/hr⁴ or \$30,047/year⁴.

| | | |
|--|--|--|
| | | |
|--|--|--|

3) Created New FTE Jobs - Permanent from Commercial Space Tenants:

a) If commercial space is to be created as part of the planned construction/business transaction, estimate how many new FTE¹ will be hired to staff that space. Do not include those in the direct employ of the business/developer. This total count should be above and beyond the Created New FTE Jobs - Permanent total listed above.

| Estimated ³ Year 1 | Estimated ³ Year 2 | Estimated ³ Year 3 |
|----------------------------------|----------------------------------|----------------------------------|
| | | |

b) Of the Created New FTE Jobs - Permanent from Commercial Space Tenants: how many of those will pay a salary at or greater than: \$14.45/hr⁴ or \$30,047/year⁴.

| | | |
|--|--|--|
| | | |
|--|--|--|

4) Created New Employees - Temporary/Construction:

a) Estimated new Employees² to be hired that a) are not a direct employee business/developer, or b) are not expected to last, in duration, beyond the planned construction/business transaction.

| Estimated ³ Year 1 | Estimated ³ Year 2 | Estimated ³ Year 3 |
|----------------------------------|----------------------------------|----------------------------------|
| | | |

b) Of the Created New Employees - Temporary/Construction: how many of those will receive a salary at or greater than: \$14.45/hr⁴ or \$30,047/year⁴.

| | | |
|--|--|--|
| | | |
|--|--|--|

Note 1: FTE is defined as 2080 hours/year or 40 hours/week.

How to calculate FTE Example:

2 full time employees at 40 hrs/wk, 1 part time employee at 20 hrs/wk, and 1 part time at 10hrs/wk.

Calculation: 40+40+20+10 = 110 hrs/wk. 110 hrs/wk x 52 wks/yr = 5720 hrs/yr. 5720 hrs/yr ÷ 2080 hrs/yr = 2.75 FTE

Note 2: This employees count shall include all temporary, part-time, and full-time employees regardless of the number of hours worked. A FTE Calculation is not required for this category.

Note 3: The figures for Year 1 could be a partial year ending Dec. 31. The figures for Years 2,3 should be for a full calendar year, defined as Jan. 1-Dec. 31.

Note 4: As established by U.S. Department of Housing & Urban Development (HUD) to produce fair market rent estimates.

Please return this completed Jobs Data Collection Statement to:

I hereby certify that the information provided above is accurate.

Sam Haile
Program Specialist
608-267-1087
sam.haile@wheda.com

Borrower/Owner Signature

Borrower/Owner First Name

Borrower/Owner Last Name

Title

Date