

## ABOUT THE CWED Loan Fund:

The purpose of the CWED Loan Fund is to fill financing gaps in local markets and to stimulate private sector development. The CWED Loan Fund provides direct loans for up to 10 years at rates beginning at 2% in partnership with other lending institutions.

## OBJECTIVES:

The CWED Loan Fund has many advantages to help businesses grow and Central Wisconsin flourish. These objectives include:

- Encourage creation and retention of permanent jobs that provide quality wages and benefits.
- Encourage leveraging of new private and public investment into Central Wisconsin in the form of fixed asset investment, particularly in land and buildings.
- Increase tax base for communities in Central Wisconsin.
- Perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and attract desirable new businesses.
- Implement the economic goals and objectives of Central Wisconsin communities and regional economic development strategies.
- Promote agricultural, commercial and industrial development in Central Wisconsin.
- Encourage the development and use of modern technology and create safe and healthy work environments.
- Encourage an environmentally sensitive and sustainable business community.

## ELIGIBILITY:

The sole proprietor, managing partner or member, or Chief Executive Officer of an eligible business wishing to establish a new operation or expand an existing operation in eligible counties may apply. The applicant must demonstrate proposed project viability and the economic ability to repay the loan. Also, applicants must agree to remain physically located in the community in which the loan is originated during the term of the loan. Other regulations and restrictions do apply.

## WHAT ARE THE REQUIREMENTS AND STIPULATIONS?

- ▶ Businesses must be located in Adams, Marathon, Portage, or Wood County.
- ▶ All loans are subject to availability of funds.
- ▶ The project must be deemed feasible by the CWED Loan Review Committee.
- ▶ There must be a minimum of one dollar in private funds available for every dollar in CWED loan funds requested. The applicant must provide personal equity in an amount at least equal to 10% of the total project cost.
- ▶ When using the CWED loan fund program, at least one full-time position must be created or retained for every \$20,000 of RLF funds requested.
- ▶ Fifty-one percent of jobs created or retained must be available to low-to-moderate income persons.
- ▶ Reasonable collateral will be required for 100% of the loan and a personal guarantee of the person with majority control of the business will be required.

- ▶ Projects must be completed within 24 months of the date of loan approval.
- ▶ No member of the CWED Board of Directors, CWED Loan Review Committees, or any other person, who exercises CWED loan fund decision-making responsibilities, is eligible to apply.

## How Can CWED Loan Funds Be Used?

- Purchase of land, building, and fixed equipment.
- Purchase of a business.
- Working Capital.
- Short-term interim financing.
- Capital investments for dairy producers that will result in significant long-term increase in capacity to produce milk.
- Refinancing is not eligible.
- Other special projects.



## Terms And Conditions:

Loan terms and conditions shall be based on need and ability to repay. Personal guaranties are required.

## Application Process:

Contact your local CWED representative to determine eligibility and to complete a loan application.

Your local CWED representative will review the application for completeness and schedule a meeting with the CWED Loan Review Committee.

You will be required to attend the CWED Loan Review Committee Meeting to present your request and answer questions.

If the application is rejected, the CWED Loan Review Committee will provide reasons for not approving the loan.

## What's required in the Application?

- ▶ Business description, including history, key customers, resume of principals and three years financial statements.
- ▶ Project description.
- ▶ Commitments from private lenders.
- ▶ Financial projections for three years, including pro formas, balance sheet, income statement and cash flow statement.
- ▶ Equity commitment with documentation that equity is available.
- ▶ Current personal credit report.
- ▶ Other information the CWED Loan Review Committee may require.



## How Can You Apply?

Contact the local CWED Loan Fund representative in your community to discuss eligibility and availability of funds.

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Director of Planning & Economic Development

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or

### Karen Olson


Business Development Director

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# CWED LOAN FUND PROGRAM

The Central Wisconsin Economic Development Fund, Inc. has created a regional loan fund program to serve as an economic stimulus in Central Wisconsin.

Local participating counties in the CWED Loan Fund are Adams, Marathon, Portage and Wood.