

The Loan Programs

The loan programs operated under the Northwest Regional Planning Commission by the Northwest Wisconsin Business Development Corporation (NWBDC), Wisconsin Business Innovation Corporation (WBIC) and Northwest Wisconsin Regional Economic Development Fund, Inc. (NWREDF) are administered in partnership with local communities, Wisconsin Economic Development Corporation, U.S. Economic Development Administration, U. S. Department of Agriculture, and the U.S Small Business Administration. The loan funds provide low-cost financing of up to \$150,000 for businesses seeking to either start or expand their operations in rural areas of Northwest Wisconsin. Focus is placed on high-technology businesses, manufacturing, timber, secondary wood products, and the tourism industry.

Eligible Applicants

Businesses located in the ten counties of the Northwest Wisconsin region including: Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor and Washburn are eligible to apply. Each loan fund has slightly varying requirements. The applicant must demonstrate that the proposed project is viable and that the business will have the economic ability to repay the loan. Businesses in Barron and Polk Counties may apply for NWRPC SBA Microloans.

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NWBDC, NWREDF, WBIC, and NWRPC are equal opportunity lenders in accordance with the Equal Credit Opportunities Act and Section 504 of the Rehabilitation Act for federally conducted programs and activities.



Northwest Regional Planning Commission

Revolving Loan Fund Programs

*Serving Northwest
Wisconsin Business*

Operated by:
Northwest Wisconsin Business
Development Corporation

Northwest Wisconsin
Regional Economic
Development Fund, Inc.

Wisconsin Business Innovation
Corporation

Eligible Uses of Funds

- Acquisition of land and buildings.
- Completion of site preparation including the installation of private infrastructure and landscaping required by codes and/or covenants incumbent on the land.
- Construction, conversion, enlargement, repair, and modernization of any building, including the construction of leasehold and facade improvements required by the borrower.
- Business Façade reconstruction in compliance with community façade design guideline development as part of a Downtown Rehabilitation Project.
- Acquisition and installation of fixed machinery and equipment, including pollution control and abatement equipment.
- Business acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanding job opportunities.
- Start-up and operating costs and working capital.

Loan Application Process

Applications may be submitted at any time during the calendar year. The loan application consists of:



Pre-application: The pre-application is a brief two-page profile of the project and a summary of the applicant's financial needs. Staff will generally make a site visit during this process to meet the applicant, determine the eligibility of the proposed project, and structure the loan.

Full application: Applicants will be invited in writing to submit an application and will be given assistance in the preparation of the full application. Once a complete application is received, it will be presented to a loan review board for a decision within 30 days.

Loan Terms

Interest Rate: Except in rare circumstances, all loans will be below market per annum interest rate. Short-term working capital and higher risk loans may be offered at a higher interest rate.

Term of Loan: In most circumstances, the term will depend on the life of the asset financed. In no case will the term be longer than the participating lender.

Collateral: Normal 100% coverage; may subordinate in circumstances.

Repayment Terms: Deferrals of principal and interest may be made for a maximum of two years on a project-by-project basis. During this period, interest will accrue and the note will be amortized over the remaining term of the note.

Economic Impact: Business must demonstrate economic impact of project through the creation and/or retention of jobs and the leveraging of other funds. At least one full-time permanent position must be created or retained for every \$30,000 of program funds requested.

Equity Requirements: The applicants must provide a minimum of 10% of the defined package total cost in the form of equity. Equity can be cash and/or an equivalent value of land, buildings, or equipment not currently being used in the production process.

Guarantees: The personal guarantees of all owners of 20% or more of the applicant are typically required as a condition of lending. Corporate guarantees of other corporations owned by the principals may be required as a condition of lending.

Loan Closing Costs: All third party fees which are billed to any of the organizations will be passed on to the borrower. (NWBDC may charge a one-time loan origination fee of 1-2% of the principal loan amount at the time of closing.)

Other NWRPC Services

Access to Capital: Including NWBDC's Technology Seed Fund, Intermediary Relending Program, EDA Revolving Loan Fund and the WREF Community Based Venture Fund; Federal and State research and development funding sources; Federal and State Loan Programs; Private investor networks; local and regional loan funds.

Access to Electronic Knowledge Services: NWRPC uses the electronic knowledge services provided by NERAC to search for answers to technical, market, and business related questions posed by clients' businesses.

Access to Federal Laboratories and Universities: NWRPC is designated as lead contact in Wisconsin for technology transfer from USDA laboratories and has cooperative relationships with universities that enable companies to access technical experts and undertake joint research and development projects.

Access to International Technology Transfer and Marketing: NWRPC has affiliations with international technology centers and business development organizations that can assist in international markets and can help identify opportunities for business alliances and trade in Europe.

