



FLEXIBLE LENDING OPTIONS FOR NEW TECHNOLOGY DEVELOPMENT IN WISCONSIN®

Entrepreneurs often have no choice but to get creative when it comes to financing their new ventures. Concept development, prototype production, research and market analysis all need to be done before traditional investors will consider funding a new company. Recognizing the need to encourage new ideas in the state, the Wisconsin Economic Development Corporation (WEDC) offers lending options targeting the critical stages of new business development. WEDC's loan funds are tailored to help innovative companies with promising economic futures clear the hurdles associated with bringing new technologies, products and concepts to market.

HOW IT WORKS

Companies that provide high-tech or innovative solutions with national or global market potential are eligible for WEDC **Technology Development Loans**, which are tailored to the evolving needs businesses face as they move through their development cycle:

STAGE OF DEVELOPMENT	LOAN LIMIT
Product/Process Development	Up to \$250,000
Product Launch/Commercialization	Up to \$500,000
Growth/Expansion	Variable

Among the criteria WEDC uses to make investment decisions are financial need, private investment leverage, management team experience, the potential to increase production, and the potential for long-term, positive economic impact in Wisconsin.

WEDC financing is generally limited to 25 percent or less of an identified project or funding cycle. WEDC may require the balance of funding to be committed and/or available prior to loan closing.

TERMS

APPLYING FOR A WEDC LOAN

For more information about loan programs and requirements or to obtain an application, contact a Wisconsin Economic Development Corporation (WEDC) Technology Investment Manager:

Aaron Hagar

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Please be prepared to submit an up-to-date business plan or executive summary. The initial review of your loan application will take four to six weeks.



Terms may be included in agreements to ensure consistency with WEDC's mission.

- Loan Amount** : Generally limited to approximately 25 percent of an identified project or funding round. Loans are capped at fixed dollar amounts depending on the stage of business growth.
- Use** : Legitimate business uses acceptable to WEDC such as Working Capital, Fixed Asset Financing, or Leasehold Improvements.
- Fee** : May require an origination fee of 2.0 percent of the loan amount.
- Interest Rate** : Fixed rate of 2 to 6 percent
- Repayment** : Loan term will typically range from 5-7 years and will not have a term of more than 10 years. The loan will have regularly scheduled payments of principal and interest with the possibility of balloon payments. Deferral periods or interest-only payments may be granted.
- Matching Funds** : To receive funds, eligible projects must meet several short- and long-term leverage requirements.

Collateral requirements also apply, and personal or corporate guaranties may be required.