

## Chapter DOD 10

## EXPORT LOAN CERTIFICATION

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**DOD 10.01 Purpose.** The purpose of this chapter is to set forth the criteria the department will use in certifying whether an export loan to be financed by the Wisconsin housing and economic development authority complies with the statutory conditions given under s. 234.80 (3) (a) to (f), Stats.

**History:** Cr. Register, August, 1985, No. 356, eff. 9-1-85.

**DOD 10.02 Eligibility.** The entities defined under s. 234.80 (2), Stats., are eligible to participate in the export loan program.

**History:** Cr. Register, August, 1985, No. 356, eff. 9-1-85.

**DOD 10.03 Definitions.** In this chapter:

(1) "Authority" means the Wisconsin housing and economic development authority.

(2) "Current gross annual sales" means the average of the most recent two years of total sales transactions as substantiated by the exporter's two most recent federal or state tax returns or other such financial statements acceptable to the authority and the department.

(3) "Department" means the department of development.

(4) "Exporter" means the term as defined in s. 234.01 (5b), Stats.

(5) "Export loan" means the term as defined in s. 234.01 (5e), Stats.

(6) "Export sale" means the transaction between the exporter and buyer which is specified in the sales contract or pro forma invoice.

(7) "Export trade company" means a company which exports goods, services or commodities, or facilitates such trade by unaffiliated parties.

(8) "Export value" means the f.o.b. (free on board) plant or farm price of the export product or commodity, which equals the cost of production; or for services provided by Wisconsin-based exporters, it means the price of the services as specified in a service contract.

(9) "Financial institution" means the term as defined in s. 234.01 (5k), Stats.

(10) "Maintain or increase employment" means the economic impact of the export sale financed by an authority loan is part of the exporter's effort to acquire sales revenue in order to maintain or expand the business operation.

(11) "Majority" means more than 50%.

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(12) "Preference" means an advantage in timing, terms of the loan, loan size, set-asides or any other special considerations.

(13) "Pro forma invoice" means an invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value and important specifications such as weight and size.

History: Cr. Register, August, 1985, No. 356, eff. 9-1-85.

**DOD 10.04 Required certification.** An export loan may not be made unless the department certifies that each loan complies with the following:

(1) Loan proceeds will finance the sale of producer or consumer goods, commodities or services having a majority of their export value produced in this state.

(2) The export sale will serve to maintain or increase employment in this state.

(3) The principal amount of the loan does not exceed the lesser of \$5,000,000 or 85% of the export sales amount.

(4) Preference has been given to exporters, each of which, together with all of its affiliates, subsidiaries and parent companies, has current gross annual sales of \$25,000,000 or less.

(5) The loan will not result in an outstanding aggregate loan principal amount exceeding 4% of the amount of bonds and notes authorized under the statute if the loan is made to an exporter which, together with all of its affiliates, subsidiaries and parent company, has current gross annual sales in excess of \$25,000,000.

(6) The term of the loan will not be less than 180 days and not more than 5 years.

History: Cr. Register, August, 1985, No. 356, eff. 9-1-85.

**DOD 10.05 Certification process.** (1) The applicant shall submit an application for financing to the authority.

(2) The department shall consult with the authority to ensure that the export loan application forms include the information necessary to allow the department to perform its certification function as required under s. 234.80 (3), Stats. and reporting function as required under s. 234.80 (5), Stats.

(3) The department shall consult with the department of agriculture, trade and consumer protection prior to certifying compliance when the loan finances the sale of raw or manufactured agricultural commodities.

(4) The department shall review for certification the export loan applications submitted to it by the authority.

(5) The department shall notify the authority, in writing, as soon as it has completed its review of the applications for certification, regarding its decision on certification for compliance with s. 234.80 (3) (a) to (f), Stats.

History: Cr. Register, August, 1985, No. 356, eff. 9-1-85.