



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 75
[2005 Assembly Bill 593]

WHEDA Loans and Programs

2005 Wisconsin Act 75 makes various changes to programs administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

Under the Homeownership Mortgage Loan Program, the Act:

- Provides that WHEDA may not make, buy, or assume a home ownership mortgage loan for an individual who does not have a Social Security number.
- Removes the loan-to-value limit and the requirement for an appraisal of the property.
- Changes the income eligibility limit to be consistent with federal law.
- Eliminates the requirement that to be eligible for assistance, a duplex be a new structure and a targeted area residence.

Under the Housing Rehabilitation Program, the Act:

- Eliminates the requirement that the structure for which a loan is provided was first occupied as a residence at least 10 years before the granting of the loan.
- Deletes the exclusions for decks, patios, fencing, certain energy-efficient home appliances, and landscaping.
- Changes the income limitations and eliminates the caps on the amount and maximum term of housing rehabilitation loans.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

Under the Small Business Development Loan Guarantee Program, the Act:

- Permits WHEDA to guarantee a refinancing loan if the borrower expands an existing business.
- Eliminates the \$750,000 limit on the total principal amount of a business's WHEDA-guaranteed loans.

In addition, the Act does all of the following:

- Increases from \$325,000,000 to \$600,000,000 the amount of notes and bonds to finance loans to eligible sponsors of housing projects that benefit persons and families of low- and moderate-income that WHEDA may issue.
- Extends the maximum term of loans under the Farm Assets Reinvestment Management Loan Guarantee Program to 10 years.
- Eliminates the restriction that WHEDA may acquire real or personal property only if WHEDA finds that low-income or moderate-income housing cannot be developed privately without an acquisition by the authority, or if the authority acquires property by reason of default.
- Adds WHEDA's loan program for housing projects for low-income and moderate-income persons and families to the list of programs for which certain records are confidential.
- Removes the requirement that WHEDA employ the Building Commission as its financial consultant to assist and coordinate the issuance of WHEDA's notes and bonds.

Effective Date: The Act took effect on January 7, 2006.

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