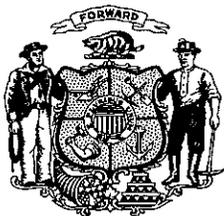


STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: September 8, 2016

Re: WHEDA Report to JFC

Attached is a report relating to the Wisconsin Development Reserve Fund from the Wisconsin Housing and Economic Development Authority, pursuant to s. 234.931 (5), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

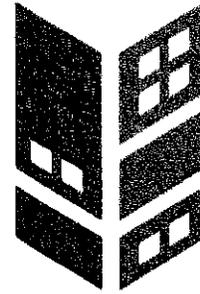
Attachments

AD:JN;jm

Wisconsin Housing and
Economic Development Authority
201 West Washington Avenue
Suite 700 | P.O. Box 1728
Madison, Wisconsin 53701-1728

T 608.266.7884 | 800.334.6873
F 608.267.1099

SEP 08 2016
St. Finance



August 31, 2016

Honorable Alberta Darling
Co-Chair, Joint Committee on Finance
Room 317 East
State Capitol
Madison, Wisconsin 53707-7882

Patrick E. Fuller
Assembly Chief Clerk
17 W. Main Street, Room 208
P. O. Box 8952
Madison, WI 53708-8952

Honorable John Nygren
Co-Chair, Joint Committee on Finance
Room 309 East
State Capitol
Madison, Wisconsin 53708

Jeff Renk
Senate Chief Clerk
17 W. Main Street, Room 401A
Madison, WI 53708

Re: Wisconsin Development Reserve Fund

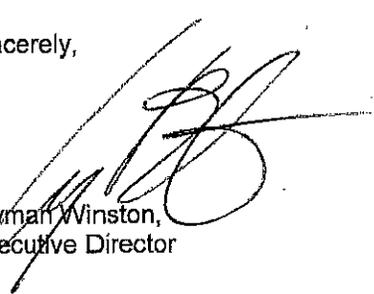
Dear Chairpersons Darling and Nygren and Chief Clerks Fuller and Renk:

Pursuant to Wisconsin Statute 234.931(5), enclosed please find the following report relating to the Wisconsin Development Reserve Fund:

Annual Report of Guarantee Funds as of June 30, 2016

Should you have any questions or comments on the reports, please feel free to call me at 266-1640.

Sincerely,


Wyman Winston,
Executive Director

Enclosures

Cc: Paul Ferguson, Legislative Fiscal Bureau



**WISCONSIN DEVELOPMENT RESERVE
ANNUAL REPORT OF GUARANTEE FUNDS
AS OF JUNE 30, 2016**

GUARANTEE LOANS	GUARANTEE OUTSTANDING	GUARANTEES TO DATE	GUARANTEES DEFAULTED	RATE OF DEFAULT
AGRIBUSINESS ¹	2 \$ 128,020	35 \$ 9,008,480	5 \$ 405,504	14.29%
CROP ²	15 \$ 1,174,584	15,587 \$ 285,760,369	234 \$ 2,852,404	1.50%
FARM	25 \$ 2,686,014	356 \$ 21,882,393	11 \$ 355,237	3.09%
DISASTER RECOVERY ³	1 \$ 13,500	23 \$ 288,450	2 \$ 18,981	N/A
RECYCLING ⁴	0 \$ -	7 \$ 1,962,125	2 \$ 457,381	28.57%
SMALL BUSINESS ⁵	62 \$ 5,592,017	453 \$ 44,894,737	46 \$ 2,422,214	10.15%
TARGET ⁴	0 \$ -	108 \$ 10,644,083	18 \$ 611,549	16.67%
TOURISM ⁴	0 \$ -	136 \$ 6,799,940	2 \$ 47,733	1.47%
TALIESIN ^{4 6}	0 \$ -	1 \$ 7,200,000	1 \$ 630,000	100.00%

¹ The number of Guarantees to Date in the Agribusiness decreased by 1 due to the discovery of a duplicate loan in the system. It has been corrected.

² CROP reflects activity from January 1, 1993 to the present.

The CROP default amount includes the total amount of defaults paid (232 loans, \$2,710,179) and pending defaults (2, \$142,225) which are defaulted loans in the process of liquidating assets.

Some of the pending defaults may repay but, more than likely, these will result in cash payments to the participating lender based on the approved guarantee amount. The defaulted amount increased, despite the number of defaults remaining the same, due to a change in methodology for estimated losses.

³ The Drought program had been inactive since 1989, but was reactivated/renamed Disaster Recover in July, 2012.

⁴ These programs are no longer active.

⁵ The total dollar amount of Guarantees Defaulted in the Small Business sector decreased due to a reporting error discovered after the 2015 report was filed. The Guarantees Defaulted as of 6/30/2015 should have been \$2,347,902

⁶ Default of the Tallesin guarantee occurred over a 5 year period. Changes in reporting methods brought this omission to our attention. The defaults were reflected correctly on the Annual Transfer Balance reports.