



## Fiscal Estimate Narratives

WHEDA 11/17/2023

LRB Number	23-4905/1	Introduction Number	AB-0619	Estimate Type	Original
<b>Description</b> a revolving workforce home loan program and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 619 (AB619) creates a new program administered by the Wisconsin Housing and Economic Development Authority (WHEDA) for the purpose of issuing loans to provide gap financing to supplement a conventional mortgage for the purchase of a single-family home in Wisconsin. The program would be a revolving loan fund and repayment of the loans would be used to fund additional loans. AB619 creates a new appropriation for WHEDA of \$100,000,000 to provide that gap financing.

The proposal establishes eligibility criteria for applicants, a cap for the loan amount, and repayment rules based on the eligible applicant's household income under this new program. The proposal requires that a local housing authority or community-based organization, or other qualified local organization, must certify a loan applicant to WHEDA.

WHEDA estimates needing three full time employees (FTEs) to develop and institute this program in the Single-Family department. Depending on demand and program usage, two additional FTES may be required at a later date for continued support of the program. The FTEs will process, underwrite, and service these loans. WHEDA estimates that technological costs for the initial program development could exceed \$70,000.

### Long-Range Fiscal Implications

WHEDA cannot estimate the demand for this program but may require additional FTEs to administer the program in perpetuity.