



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2013 Wisconsin Act 175
[2013 Assembly Bill 770]

**Propane Shortage Loan
Guarantee Program**

2013 Wisconsin Act 175 (the Act) creates an emergency heating assistance loan guarantee program administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Under the program, WHEDA provides guarantees and interest subsidies for loans of up to \$2,500 to qualifying individuals for extraordinary costs they may incur for heating during a state of emergency.

The Act specifies that the loan guarantees must be for not less than 50% or more than 80% of the principal of a loan, and the interest reduction subsidy must be equal to 3.5% of the principal amount of the loan. A lender that wishes to participate in the program must execute an agreement with WHEDA. An individual is eligible for the program if, among other requirements, their annual household income is not more than 200% of the median family income for their county of residence.

Under the Act, WHEDA must provide loan guarantees and interest subsidies until the end of July, 2014, in response to the State of Emergency declared by the Governor on January 25, 2014, in Executive Order #130.

If a state of emergency related to heating costs or the availability of heating fuels is declared in the future, within 14 days WHEDA must prepare a plan for guaranteeing collection of emergency heating loans and submit it to the Joint Committee on Finance (JFC). If JFC approves the plan, WHEDA must provide loan guarantees and interest subsidies for 120 days.

Effective date: March 29, 2014.

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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.wisconsin.gov>.