



WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY
MEDIA RELEASE

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WHEDA offers agricultural disaster loan guarantees to farmers impacted by flooding

MADISON – The Wisconsin Housing and Economic Development Authority (WHEDA) is now providing loan guarantees to farmers who suffered damage from extensive flooding in northern Wisconsin during July. The Agricultural Production Disaster Assistance Loan Guarantee Program can be used to purchase goods or services needed by farmers to produce agricultural commodities or for extraordinary costs related to the flooding.

“WHEDA has been supportive of Governor Walker’s efforts to come to the aid of our citizens,” said WHEDA Executive Director Wyman Winston. “With this loan guarantee program, WHEDA wants to help ensure disaster relief resources are available to farmers in desperate need.”

Governor Scott Walker recently announced a Federal Emergency Management Agency (FEMA) major disaster declaration for northern Wisconsin counties impacted by July’s flooding. The counties named in the declaration are Ashland, Bayfield, Burnett, Douglas, Florence, Iron, Sawyer and Washburn Counties and the Bad River Band of the Lake Superior Chippewa Tribe. Torrential rains hit the area and gusty winds caused trees to uproot and powerlines to snap.

In order to be eligible for the Agricultural Production Disaster Assistance Loan Guarantee Program, a farmer must be unable to obtain conventional financing at reasonable terms. A farmer must have cash demonstrating the likelihood of repayment and available collateral. Costs to be covered must be related to acts of nature where the Governor has issued a declaration of disaster.

The loan guarantee program can be used for fertilizer, seed, fuel, pesticides, herbicides, land rent, equipment rental and repair, animal feed, water delivery in connection with commodities adversely impacted, utility bills for the production of an agricultural commodity, and labor costs directly related to planting and harvesting a commodity.

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Earlier this year Governor Walker signed a bill expanding WHEDA's authority to provide guarantees on agricultural production assistance loans. Under Senate Bill 549 (SB 549) WHEDA's drought relief loan guarantee was expanded to also include loan guarantees for extraordinary farming costs related to any act of nature for which the governor declares a disaster.

"This law will provide our valued farmers access to financial resources in a disaster, allowing them to recoup losses and continue their hard work that supports one of the most critical industries in the state," said WHEDA Executive Director Wyman Winston. "I extend my heartfelt thanks and appreciation to Governor Walker and all members of the Wisconsin Legislature for their support and approval to expand our agricultural loan guarantee program."

SB 549 not only expands WHEDA's loan guarantee authority for agricultural production assistance loans beyond drought situations, the bill also increases the maximum loan guarantee amount from \$15,000 to \$25,000. This updated legislation gives Wisconsin farmers a much needed boost in accessing agricultural financing when they need it most – during a natural disaster.

WHEDA has offered agricultural loan guarantees since 1985. Since its inception, the program has provided over \$435 million in loan guarantees to help Wisconsin farmers plant, fertilize and harvest their crops. WHEDA agricultural loan guarantees reduce financial risk and exposure to lenders while ensuring that farmers have access to low-cost capital.

WHEDA is an independent state authority that works with lenders to provide low-cost financing for housing and small business development in Wisconsin. For more information on the disaster assistance loan guarantee or other WHEDA programs, visit www.wheda.com or call 1-800-334-6873.

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