

RESTORE MAIN STREET LOAN TERM SHEET

The below terms are effective for applications starting in the Spring 2026 Cycle.

Purpose	Subordinate financing for rehabilitation of second and third floor rental housing situated over first floor commercial businesses awarded through a competitive process.
Funding Source	Act 15 Main Street Rehabilitation Revolving Loan Fund
Eligible Borrowers	Any owner of rental housing other than a city, village, town, county or federally recognized American Indian tribe or band in this state.
Eligible Projects	<ul style="list-style-type: none"> • Rental housing on the 2nd or 3rd floor of an existing 2 or 3 story building with commercial use on the main floor of not more than 2/3 of the building's gross footage. • Building is at least 40 years old and the rental housing has not been improved for at least 20 years. • Is vacant or underutilized. • Owner has secured necessary finances for total cost of housing rehabilitation not covered by WHEDA loan. • All permits and approvals secured. • City, village, town or county has taken action to reduce the cost of rental housing by voluntarily revising zoning ordinances, subdivision regulations, or other land development regulations to increase development density, expedite approvals, reduce applicable fees, or reduce parking, building, or other development costs with respect to the eligible project and revisions that generally apply to residential housing projects within the Governmental Unit on or after January 1, 2020. • City, village, town or county has updated the housing element of its comprehensive plan within the 5 years immediately preceding the date of application and is in compliance with relevant comprehensive housing plan rules. This condition may be satisfied if, within the 5 years immediately preceding the date of the loan application, the governmental unit adopts an ordinance or resolution certifying that the housing element of its current comprehensive plan provides an adequate housing supply that meets existing and forecasted housing demand in the Governmental Unit. • City, village, town or county is in compliance with Wisconsin Statutes ss. 66.1001, 66.1001(3), 66.1001(4) regarding the creation, content and amending of its comprehensive plan.
Eligible Uses	An improvement to maintain the housing in a decent, safe and sanitary condition including to restore it to that condition, including: a) repairing or replacing a heating system, electrical system, internal plumbing system, interior wall or ceiling, roof, window, exterior door, or flooring, b) repairing or replacing insulation or siding or c) remediating lead paint, asbestos, or mold in accordance with applicable regulations.
Affordability Requirements	<p>The estimated annual housing costs, as defined under Wisconsin Statutes s. 16.301 (3), do not exceed, or are not expected to exceed, 30 percent of 100 percent of the area median income, with family size determined using the federal imputed income limitation, as defined in 26 USC 42 (g) (2) (C), and the utility-related costs if not included in the rent equal the utility allowance determined by the U.S. Department of Housing and Urban Development.</p> <p>The housing is for occupancy by individuals whose annual household income does not exceed 100 percent of the area median income.</p> <p>Affordability must be maintained from the date of loan closing or initial occupancy, whichever comes last, and continue thereafter for the longer of 10 years or full repayment of the loan.</p>
Minimum Set-Aside Units/Lots	All units rehabilitated must meet affordability requirements
Loan Amount	Max of \$50,000 per unit or 33% of the total housing rehabilitation costs, whichever is less.

	*Availability may be limited based on loans previously awarded in each Regional Planning Commission district as outlined in the Award Plan.
Rate	0% * Rate determined per application round
Term	Interest only period to match senior lender's but for no more than 2 years. The I/O period is to be set at closing with a fixed conversion date in the loan documents. Term is the greater of conversion plus 10 years or the term of the senior debt.
Amortization	The greater of the amortization term of the senior debt or 10 years.
Loan-to-Value Ratio (LTV)	Total LTV calculated including any debt senior and WHEDA debt - 100%.
Debt Coverage Ratio (DCR)	Utilizing senior debt DCR plus WHEDA subordinate financing added = 1.0
Credit Enhancements	Unlimited personal or corporate guarantee required on loan unless no personal or corporate guarantee is provided on the first mortgage and total debt is less than 75% of total value.
Prepayment Provision	Prepayment allowed, without penalty of any time. Affordability requirements will remain if payoff occurs within the 10-year affordability requirement.
Re-subordination	Re-subordination of existing must pay Restore Main Street loans to senior debt is permitted during the initial 10 years, provided there is no change in the control of ownership of the property, nor control of the entity is greater than 50%, and provided there is no change to the collateral in place at the original loan closing. The loan will be required to meet WHEDA's DCR, LTV, and guarantee requirements at the time of refinance. Guarantees required at original loan closing will remain in place in the event of a re-subordination, and if the new senior lender requires guarantees, WHEDA will mirror these requirements for the Restore Main Street loan. The loan must be repaid if the property is refinanced 10 years or more after the conversion date.
Escrows	N/A
Environmental Reviews	Documentation provided to senior lender
Capital Needs Assessment (CNA)	N/A
Origination Fee	0%
Loan Structuring Fee (Non-refundable)	0%
Application Fee	0%