



State of Wisconsin Department of Administration

Tony Evers, Governor

Kathy Blumenfeld, Secretary

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Policy Number:

ADM-07-2013

Title:

New Loan Repayment

Effective Date:

October 28, 2025

Previous Versions:

February 1, 2019

July 1, 2013

Description:

New loans to businesses by Units of General Local Governments (UGLG's) as a result of a Community Development Block Grant (CDBG) by the Division of Energy, Housing and Community Resources (DEHCR) will contain a forgivable loan clause and repayment schedule.

Purpose:

On July 1, 2011, the former Department of Commerce was abolished and the CDBG program formally transferred to the Department of Administration – Division of Energy, Housing and Community Resources (DEHCR) [formerly Division of Housing (DOH)]. The DEHCR entered into an administrative agreement with the Wisconsin Economic Development Corporation (WEDC) to perform certain administrative tasks related to the CDBG program specifically related to Economic Development (ED), Public Facilities (PF), Public Facilities for Economic Development (PFED), and Planning (PLNG) grants. On July 1, 2013, all administrative tasks related to CDBG transitioned to DOA.

DEHCR subsequently requested and received approval from HUD for Substantial Amendment #3 to the State of Wisconsin's 2015-2019 Consolidated Plan to implement the

CLOSE program to close out the State of Wisconsin's CDBG Economic Development Revolving Loan Fund (ED-RLF) program 2019-2021. The substantial amendment also included modifying the State's CDBG Economic Development (CDBG-ED) program to include a provision for UGLGs to grant funds to businesses as forgivable, no interest loans, contingent upon the business achieving the job creation/retention requirements of their loan agreement.

Policy:

1. Upon a CDBG-ED grant award to an UGLG, the UGLG will enter into a separate loan agreement with the business.
2. Loans made with funds from CDBG awards granted after July 1, 2013, shall contain repayment language. Loans made with funds from CDBG awards granted after February 1, 2019, shall contain the forgivable loan terms, with no repayment required if the business meets the job creation/retention terms of the CDBG-ED project, as specified in the UGLG's grant agreement with DEHCR.
3. The UGLG must repay funds to the State in accordance with specifications in DEHCR policy ED 09-2013 if the business does not meet the job creation/retention requirements of the CDBG-ED project, as specified in the UGLG's grant agreement with DEHCR.