

101 E. Wilson Street  
2nd Floor  
PO Box 8943  
Madison, WI 53708-8943

608 266-1370 INFORMATION  
608 266-0034 LOANS  
608 267-2787 FAX  
bcpl.wisconsin.gov

Jonathan Barry, *Executive Secretary*

## Fact Sheet - Revenue Obligation Loans

Eligible Borrowers:	Wisconsin towns, villages, cities, counties, school districts, technical college districts, public inland lake protection and rehabilitation districts, town sanitary districts, metropolitan sewerage districts, metropolitan sewerage systems, joint sewerage systems, consortiums, cooperative educational service agencies (CESAs), federated public library systems, drainage districts.
Loan Process:	Simple and transparent, with funds available as soon as 30-60 days. Revenue loans have greater documentation and underwriting requirements than general obligation loans, and may require a slightly longer time period to complete the loan process.
Loan Security:	Loans are secured by a pledge and assignment of the revenues generated by a specific project. These revenues may include tax increments allocated to the borrower for project costs within a tax incremental district. A failure by the borrower to remit loan payments when due requires BCPL interception of state aid payments.
Loan Purpose:	Loans may be made for the financing or refinancing of a project as defined by Wis. 67.04 (ar): the acquisition, leasing, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, waters, property, highways, buildings, equipment, or facilities.
Payments:	Annual payments are due March 15 each year. Loans funded between September 1 and March 14 do not have a payment scheduled for the following March 15. Amortization schedules are normally calculated to include equal annual payments, but BCPL can provide custom amortization schedules for projects that may take time to generate expected revenues, or that need coordination with other debt payment schedules.
Prepayment:	Prepayments are allowed without penalty after January 1 and prior to September 1 each year, with 30 days prior written notice. This flexibility is extremely valuable, as future budget priorities are difficult to forecast. Many finance directors get stuck with higher rate bonds and are forced to wait years prior to refunding. This is never a problem if you borrow from BCPL.
Terms:	1 year to 30 year fixed rate loans.
Rates:	Interest rates are locked at the time of application. Rates will vary depending on the risk assessment from BCPL transaction underwriting including a review of the strength and stability of the pledged revenues, along with other risk factors.
Underwriting:	Loans secured by a pledge of tax increment allocations are limited to an amount so that annual payments would not exceed 80% of the shared revenue received by the borrower in the year prior to the loan application. Underwriting criteria on other loan and project types will vary.
Fees:	No application fees, origination fees or prepayment fees. No fees period!
Best Part:	Interest earned by BCPL is distributed to communities statewide for the funding of public school library materials. Check out the BCPL website to see the annual contribution made to your school district. This annual payment effectively reduces local tax levies by providing schools another source of funding. How many bankers or bond dealers can say that?