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WHEDA announces loan program to address propane shortage

WHEDA's \$3M Propane Guarantee Program to help fuel providers

MADISON – In response to Governor Walker's declaration of a State of Emergency due to Wisconsin's propane shortage, the Wisconsin Housing and Economic Development Authority (WHEDA) has established a \$3 million loan guarantee program. WHEDA will provide loan guarantees to banks of 50% of a total loan for dealers to purchase propane, but not to exceed a \$50,000 guarantee amount for a term of one year.

"Governor Walker has called upon state agencies to assist in the protection of our citizens during this fuel shortage," said WHEDA Executive Director Wyman Winston. "WHEDA is pleased to implement a new loan guarantee program to provide financing to dealers to quickly purchase propane so homeowners can continue to heat their homes during this rough winter."

Qualifying propane dealers must be in business for at least 12 months and will be required to complete a simple compliance application through a participating WHEDA lender to access the loan guarantee. WHEDA's Propane Guarantee Program will be effective until December 31, 2014.

Propane prices have jumped from about \$1 dollar a gallon to nearly \$6 dollars a gallon during the last six weeks. There has never been such an increase in propane prices. The jump in prices is due to a severe shortage of propane caused by the wet fall resulting in feed farmers using unexpectedly high amounts of propane to dry crops. The unseasonably cold winter has also increased the demand for propane from homeowners. In addition, the cold weather has slowed down rail transport – especially by forcing locomotives to tow less cars due to the effects of the cold on air brakes. And more propane was exported this year because of increases in international demand.

"This is one of the most brutal winters Wisconsin has faced in many years," said Winston. "Propane dealers forced to pay much higher prices are confronted with a cash shortage and desperately need financing. WHEDA has a long, successful history of supplying financing solutions and has the expertise to step up quickly and provide much-needed, potentially life-saving assistance."

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Small businesses that require propane may be eligible for assistance for fuel and other business-related needs under WHEDA's Small Business Guarantee Program.

For more information about WHEDA's Propane Guarantee and Small Business Guarantee Programs, please visit www.wheda.com.

WHEDA is a public body corporate and politic created in 1972 by the Wisconsin Legislature that provides low-cost financing for housing, small business and agricultural development. Since 1972, WHEDA has financed more than 68,000 affordable rental units, helped more than 110,000 families purchase their first homes and made more than 29,000 small business and agricultural loan guarantees. For more information, visit wheda.com or call 1-800-334-6873.

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