

**Resolution No. 1-1203**

**IOWA COUNTY RESOLUTION  
TO MODIFY THE INTEREST RATE AND OTHER POLICIES  
FOR REVOLVING LOAN FUND (RLF) PROJECTS  
INVOLVING MILK VOLUME PRODUCTION (MVP)**

WHEREAS, The Wisconsin Department of Commerce (Commerce) has a state-funded loan program called the Milk Volume Production (MVP) Program, which is designed to assist dairy producers that are undertaking capital improvement projects resulting in a significant increase in Wisconsin's milk production, and

WHEREAS, the program was created to aggressively support Wisconsin's \$20 Billion dairy industry by providing financing to fill the "equity gap" in conventional financing and to partner with local communities and counties to increase dairy production in Wisconsin, and

WHEREAS, nothing in the current Loan Administration Manual prohibits the county from making loans for purposes of increasing dairy production or for any other agricultural purpose, and

WHEREAS, Commerce strives to conserve state dollars by limiting financing to projects requiring \$50,000 or more in gap financing, and

WHEREAS, Iowa County has a local revolving loan fund that can help fill this financing need in projects requiring less than \$50,000, and that Commerce will do the underwriting analysis on said projects on behalf of the County, and

WHEREAS, Commerce is willing to look for and fund viable projects through the use of existing state funds by making direct loans of \$50,000 or more to dairy enterprises wishing to increase herds by 100 or more, and

WHEREAS, the repayment of said state loans will be directed to the Iowa County Revolving Loan Fund thereby adding to the capital base of the fund, and

WHEREAS, in order for Iowa County to make loans under this program, it is necessary for the county to modify its RLF interest rate and other policies on terms, deferrals, and collateral requirements to adhere to the Wisconsin MVP program policies for purposes of these types of loans, and

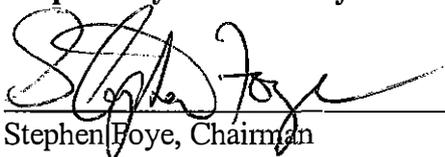
WHEREAS, the current Loan Administration Manual specifies that interest rates may not be less than three percent (3%) per annum, but are recommended by the County Loan Review Committee and may vary from loan to loan, but have historically been five percent (5%) per annum, and

WHEREAS, said interest rates for MVP projects are currently two percent (2%) per annum with allowable deferral periods of up to two (2) years with amortization of loans over the remaining five (5) years of the seven (7) year term, and that said loans are secured by a Farm Security Agreement and by personal guarantees.

NOW, THEREFORE, BE IT RESOLVED, that Iowa County consents to participate in the MVP program and adopt Commerce policies on terms, interest rates, and collateral requirements for purposes of dairy production, and

BE IT FURTHER RESOLVED, that nothing in this resolution prohibits the County from exercising its authority to approve or disapprove any loan, and that the MVP interest rate and other policies are not required to be applied to any other type of business loan that the county makes.

**Respectfully submitted by the Committee on Finance, Bonds, Insurance and Tax Claims**

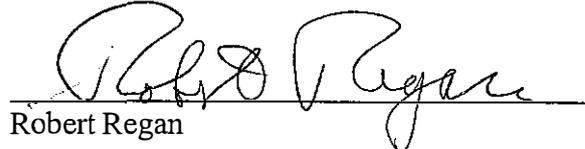


Stephen Foye, Chairman

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Robert Regan



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