

War Department offers Wolfspeed a conditional \$1.5 billion loan for U.S. silicon carbide and GaN chips

Public paper · October 8, 2026 · Department of War release of October 7, 2026

On October 7, 2026, the Department of War's Office of Strategic Capital announced a conditional commitment to lend Wolfspeed, Inc. up to \$1.5 billion. Wolfspeed's Form 8-K describes a 30-year senior secured delayed-draw loan in up to four tranches: \$600 million first, to refinance its first lien notes due 2030, then up to \$900 million for U.S. silicon carbide and gallium nitride work. Nothing is funded yet. The deal still needs due diligence, final agreements, congressional authorization, appropriations and OMB concurrence.

On October 7, 2026, the Department of War posted a release: its Office of Strategic Capital (OSC) announced a \$1.5 billion conditional loan commitment to Wolfspeed, Inc., which the department described as a vertically integrated U.S. manufacturer of semiconductor materials. The same day, Wolfspeed, of Durham, North Carolina, announced the commitment and filed the terms with the Securities and Exchange Commission on Form 8-K.

The word that matters is conditional. Wolfspeed's filing says entering the loan on these terms, or any terms, is subject to substantial conditions, including due diligence and negotiating the final agreements. It says no assurance can be given that the loan will close or that any money will be provided.

The 8-K describes a senior secured delayed-draw term loan of up to \$1.5 billion, in up to four tranches. The first tranche, \$600 million, would refinance in full Wolfspeed's outstanding first lien senior secured notes due 2030 and pay transaction costs. The remaining \$900 million, in tranches of \$200 million to \$400 million, would pay for the project. The loan is expected to run 30 years, with a 36-month window to draw.

Wolfspeed's release lists four goals for the project: strengthen its U.S. silicon carbide (SiC) materials and power-device business; establish, expand or bring onshore U.S. production of low-voltage and/or high-voltage gallium nitride (GaN) power devices; advance GaN-on-SiC radio-frequency epitaxial wafer technology; and develop U.S. radiation-hardening capabilities. The company says it plans to upgrade its GaN epitaxy for next-generation communications infrastructure and electronic warfare systems. It names manufacturing in North Carolina, New York and Arkansas.

"SiC and GaN have critical national security applications," Wolfspeed Chief Executive Officer Robert Feurle said in the company's release. "With this financing, the company would be well positioned to not only continue to serve the DoW but also expand its capabilities for the benefit of U.S. national security as a whole."

At a glance

Lender: Department of War, Office of Strategic Capital (OSC).

Borrower: Wolfspeed, Inc. (NYSE: WOLF), Durham, North Carolina.

Size: Up to \$1.5 billion, in up to four tranches.

First tranche: \$600 million, to refinance Wolfspeed's first lien senior secured notes due 2030 and pay transaction costs.

Later tranches: Up to \$900 million, \$200 million to \$400 million each, for the project.

Term: 30-year maturity expected. 36-month window to draw.

Rate: Comparable-maturity Treasury rate plus a risk premium, provisionally 1.25% to 1.75%, set in the final agreements.

Repayment: Interest may be added to principal for the first five years if there is no default. After that, quarterly interest and principal, amortized straight-line over 25 years.

Warrants: Up to 7.5% of Wolfspeed's fully diluted equity, VWAP-based, issued pro rata as tranches are funded.

Status: Conditional commitment letter, October 7, 2026. No final agreement and no money funded.

What still has to happen

The 8-K lists conditions for the final agreements. They include authorizations or reauthorizations from Congress, available appropriations, and concurrence from the Office of Management and Budget, which the company calls beyond its control. Wolfspeed must also use commercially reasonable efforts to convert a substantial majority of its outstanding convertible notes into equity, and sign a secured undertaking to complete the project.

Wolfspeed Chief Financial Officer Gregor van Issum said the broader commitment is expected to provide long-dated capital, subject to the satisfaction of diligence, negotiation of definitive agreements, and other financial, legal, and investment conditions.

Official sources

Department of War release, October 7, 2026: <https://www.war.gov/News/Releases/Release/Article/4621223/departments-office-of-strategic-capital-announces-15-billion-conditional/>

Wolfspeed release, October 7, 2026: <https://www.wolfspeed.com/company/news-events/news/wolfspeed-announces-conditional-30-year-loan-commitment-from-us-department-of-war-to-advance-domestic-wide-bandgap-supply-chain/>

Wolfspeed Form 8-K, October 7, 2026 (Items 7.01 and 8.01):

<https://www.sec.gov/Archives/edgar/data/895419/000119312526416987/d122407d8k.htm>

Exhibit 99.1, the press release as filed:

<https://www.sec.gov/Archives/edgar/data/895419/000119312526416987/d122407dex991.htm>

What this paper is

This is a Notice Nearby explainer. The numbers come from the company's SEC filing and release. It is not investment advice and not a solicitation. Notice Nearby is not a newspaper and this paper is not Legal Publication.

Notes

Department of War release, October 7, 2026, "Department of War's Office of Strategic Capital Announces \$1.5 Billion Conditional Loan Commitment to Wolfspeed, Inc." war.gov: <https://www.war.gov/News/Releases/Release/Article/4621223/departments-office-of-strategic-capital-announces-15-billion-conditional/>

Wolfspeed, Inc. press release, October 7, 2026. wolfspeed.com: <https://www.wolfspeed.com/company/news-events/news/wolfspeed-announces-conditional-30-year-loan-commitment-from-us-department-of-war-to-advance-domestic-wide-bandgap-supply-chain/>

Wolfspeed, Inc. Form 8-K, filed October 7, 2026. sec.gov:

<https://www.sec.gov/Archives/edgar/data/895419/000119312526416987/d122407d8k.htm>

Exhibit 99.1 to that 8-K. sec.gov:

<https://www.sec.gov/Archives/edgar/data/895419/000119312526416987/d122407dex991.htm>

Photograph: "Wolfspeed construction in Chatham County," June 16, 2024, by Indy beetle. CC0. Wikimedia Commons:

https://commons.wikimedia.org/wiki/File:Wolfspeed_construction_in_Chatham_County.jpg

File photo, June 16, 2024: a Wolfspeed manufacturing facility under construction in Chatham County, North Carolina. This is not a photo of the October 7, 2026 announcement. Photo: Indy beetle, Wikimedia Commons:

https://commons.wikimedia.org/wiki/File:Wolfspeed_construction_in_Chatham_County.jpg, CC0 public domain dedication. June 16, 2024.

Web version:

<https://noticenearby.com/papers/dow-osc-wolfspeed-conditional-loan-1-5-billion-2026-10-07>

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