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Agriculture Secretary Vilsack Announces Funding to Support Business Growth, Create Jobs and Generate Economic Development in Rural Areas

WASHINGTON, September 12, 2012 – Agriculture Secretary Tom Vilsack today announced the selection of recipients in 14 states and one territory to receive loans to create or save jobs and boost local economies. Funding is provided through USDA’s Intermediary Relending Program (IRP).

“This funding is part of the Obama Administration’s ongoing effort to leverage private investments with public funds and expand economic opportunity for rural entrepreneurs,” Vilsack said. “These loans will help small rural businesses grow, and create jobs.”

Loans are provided to organizations (intermediaries) that re-lend the money to local businesses. For example, in Delaware, First State Community Loan Fund was selected to receive a loan to provide access to capital for small businesses, community organizations and developers of affordable housing. In South Carolina, the Southern Association for Financial Empowerment was selected to receive a loan to provide low-interest loans to public and non-profit organizations for business and community development in 14 counties. In Texas, La Feria Industrial Development Corporation will receive a loan to sustain existing businesses and recruit new businesses in and around the City of La Feria, a community of 7,000 located near the Mexican border.

USDA’s Intermediary Relending Program continues to bring economic opportunity to rural residents and business. For example, in 2010, Coastal Community Capital, an economic development organization based in Cape Cod, Mass., received a \$750,000 loan to help provide capital for business creation. Loan applicant Mac Hay used IRP funding as a down payment to purchase a restaurant where he once worked as a college student. Hay and his brother were later honored by the U.S. Small Business Administration as “Young Entrepreneurs of the Year.” Hay’s initial success with the restaurant has now grown into a business enterprise that employs 106 people and consists of three restaurants, two retail seafood shops and a mail-order firm. Since 2000, Coastal Community Capital has helped provide low-interest loans and gap financing to more than 60 businesses.

Under today’s announcement, USDA is providing \$6.3 million for projects in 17 communities. Funding is contingent upon the recipient meeting the terms of the loan agreement. Below is a list of organizations selected for funding:

California

- SAFE-BIDCO – \$400,000 loan. Funds will be used to provide low-interest loans to public and non-profit organizations for business and community development.

Delaware

- First State Community Loan Fund – \$364,437 loan. Funds will be used to provide access to capital for small businesses, community organizations and developers of affordable housing.

Maine

- Northern Maine Development Commission – \$400,000 loan. Funds will be re-lent to businesses and community development organizations to create and retain jobs.

Massachusetts

- Cape and Islands Community Development – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

Minnesota

- Greater Jobs, Inc. – \$385,563 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

New Hampshire

- Rockingham Economic Development Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

New Mexico

- New Mexico Community Development Loan Fund, Inc. – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

New York

- Cattaraugus County Business Development Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

North Dakota

- South Central Dakota Regional Council – \$151,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development in nine counties in the central part of the state.

Oregon

- Greater Oregon Development Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

Pennsylvania

- Altoona Blair County Development Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

South Carolina

- Small Business Assistance Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.
- Southern Association for Financial Empowerment – \$285,563 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development in 14 counties.

South Dakota

- Northeast South Dakota Economic Corporation – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.
- Rural Electric Economic Development, Inc. – \$400,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development.

Texas

- La Feria Industrial Development Corporation – \$400,000 loan. Funds will be used to help sustain existing businesses and recruit new businesses in and around the City of La Feria.

Western Pacific

- Pacific Island Development Bank – \$350,000 loan. Funds will provide low-interest loans to public and non-profit organizations for business and community development in Guam.

For more information, visit Rural Development's new interactive web map featuring program funding and success stories for fiscal years 2009-2011. The data can be found at: <http://www.rurdev.usda.gov/RDSuccessStories.html>.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investments in rural communities support the rural way of life that stands as the backbone of our American values. President Obama and Agriculture Secretary Tom Vilsack are committed to a smarter use of Federal resources to foster sustainable economic prosperity and ensure the government is a strong partner for businesses, entrepreneurs and working families in rural communities.

USDA, through its Rural Development mission area, has an active portfolio of more than \$172 billion in loans and loan guarantees. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.

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