

Rural Development Offers Gap Financing for Rural Business Industry

Outline Of Need: The Northeast Nebraska Economic Development District (NENEDD), a 16-county regional development organization, recognized the need for gap financing in rural northeast Nebraska for business & community retention, expansion, and start-up growth.

How Rural Development Helped: USDA Rural Development provided a \$750,000 Intermediary Relending Program (IRP) loan to NENEDD in March of 2001. Continued and increased activity in northeast Nebraska prompted NENEDD to apply for a second IRP loan in the amount of \$500,000 which was awarded in April 2005.

The Results: Forty-four ultimate recipient businesses received Intermediary Relending Program (IRP) assistance as a result of the USDA Rural Development funding (\$1,250,000). Ultimate recipient loans were leveraged with an accumulated \$22,043,364 of funding from other sources including owner equity, banks, other revolving loan funds, USDA Rural Development Rural Economic Development Loan (\$250,000), Community Development Block Grant (CDBG), local community investment, and the Small Business Administration 504 program. Jobs created or saved totaled 348. Business sectors assisted in 25 communities included hardware, auto repair, a newspaper, farm feed and supply, food service, greenhouse garden and nursery supply, call center, machine parts manufacturing, funeral home, gasoline station and convenience store, lumber/home center retail, floor covering retail, grocery store, engineering service, beer/wine/liquor store, truck wash, dental office, retail quilting/fabric & notions, hobby/toy/game store, and a furniture store. Twenty of the twenty-five communities benefiting from the local main street investment range in population size of 86 to 1,797.

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