



**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

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BUSINESS DEVELOPMENT PUMPS UP IN SOUTHWEST NEBRASKA

Lincoln, Neb., March 29, 2002-The United States Department of Agriculture (USDA) Rural Development awarded in mid-February \$88,000 in Rural Business Enterprise Grant (RBEG) funds to the Southwest Nebraska Community Betterment Corporation of Grant, Neb. The RBEG funds will establish a revolving loan fund to finance the development and/or expansion of small and emerging private business enterprises located within a five county area of rural southwestern Nebraska. Counties included in this area are Chase, Dundy, Hayes, Hitchcock and Perkins.

Funds of \$88,000 from ultimate recipients, \$264,000 by primary lenders and \$5,265 for loan servicing and application-processing fees will also be utilized for this project.

The downward spiral of the farm economy has caused this southwestern five county area to face an accelerating loss of employment opportunities, creating a negative impact on all aspects of the area rural communities. The community leaders from across the region are aggressively pursuing a reversal of this economic deceleration trend.

Heidi Lapp, business & community programs technician for USDA Rural Development stated, "With the establishment of the revolving loan fund, eligible for-profit businesses will receive an opportunity to turn the current downward trend around through the creation of jobs via business expansion opportunities and new business start-ups."

Through the USDA Rural Business Enterprise Grant (RBEG) program, public bodies and private nonprofit corporations receive grant funds to finance and facilitate the development of small and emerging private business enterprises in rural area communities of up to 50,000 population. The grant funds may be used to acquire land, buildings, and infrastructure that enhance business development; to provide technical assistance; or to establish a revolving loan fund. A revolving loan fund assists in the development of the economic base through employment opportunities offered as a result of business expansion and new business start-ups. As the recipient business repays their loan, the monies are then relent to other businesses, thus the concept of the revolving loan fund.

For additional information contact Heidi Lapp in the USDA Rural Development State Office, Rm. 152 Federal Building 100 Centennial Mall North, Lincoln, Neb. 68508-3888 or phone (402) 437-5556. Visit <http://www.rurdev.usda.gov/ne/>.

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