

Growing Rural Business

Outline Of Need:

Southeast Nebraska Development District (SENDD) consisted of an eight county service area that encompassed 79 communities as of mid 2004. By the end of that year, SENDD grew to a total of 15 counties and 139 communities; 134 of the communities have a population of less than 5,000. SENDD administers USDA Rural Development's Rural Business Enterprise Grant (RBEG) program and Intermediary Relending Program (IRP) revolving loan funds. They also administer Community Development Block Grants (CDBG) and LB840, a local option sales and/or property tax for economic development and revolving loan funds under contract with entities in their service area. SENDD's current staff no longer had the amount of time required to effectively administer all of the various funds in their expansive service area.

How Rural Development Helped:

In September of 2007, USDA Rural Development awarded a Rural Business Enterprise Grant (RBEG) of \$43,000 to SENDD to provide technical assistance to small and emerging private business enterprises by hiring a full-time loan packager.

The Results:

Within two years of the award, technical assistance had been provided to 121 existing or start-up small businesses;

- 46 inquirers were seeking, and were provided, general information on various grant and lending programs that might be available to finance their prospective projects;
- 50 inquirers were provided specific information including loan application documents, names of contacts for additional information or assistance and, in some instances, assistance with the development of financial projections; and
- 25 inquirers received loan packaging and loan closing assistance.

It was projected that a minimum of 10 full-time equivalent jobs would be created or retained during the initial year of the loan packager position. The number of jobs created or retained from this project was 25 positions at a per capita investment by USDA Rural Development of \$1,720 per position. The loan packager position will be sustained in future years in part by interest returned on loans made and by contract fees.

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