



Committed to the future of rural communities.

Colorado —Rural Business & Cooperative Service

Capital Markets

IRP Program Helps Create Rural Jobs

Outline Of Need:

Finding access to credit in rural communities is hard to come by in an economic recession, even if small businesses have the collateral to back the loan.

How Rural Development Helped:

Colorado Housing Enterprises (CHE), LLC was awarded a \$1 million loan in Intermediary Relending Program (IRP) funding from USDA Rural Development to use for revolving loans to help small businesses expand and help with job creation in rural areas.

The Results:

Frank and Linda Maggio, have been life-long entrepreneurs and are co-owners of Chae Organics in LaVeta, Colorado. The Maggio's had been looking to expand their cosmetic manufacturing and distribution operation but were having a hard time finding sources of available credit.

When Frank talked to the banks, they were unwilling to take on a high-risk loan, which is becoming an increasingly common practice in rural areas. The

Fast Facts

Program: Intermediary Relending Program

Investment: \$1,000,000 Loan

Partners: Colorado Housing Enterprises, Inc.

Demographics

Rural Population—900

Impact:

- 30 jobs created
- Creation of a diverse workforce
- Export opportunities



Workers at Chae Organics in La Veta, CO prepare products for distribution.

Maggio's then began talking to city council members and county commissioners and found out about CHE's IRP Loan. With the availability of funds through the IRP Loan, the Maggio's projected they would not only move into a larger facility, but add jobs to boost production and distribution. The expansion was completed over a three month period.

This expansion has not only attributed to job creation, but has provided an expanded base of job opportunities to local community members. The creation of chemists, sales, and marketing positions now offer a wide range of job possibilities in helping create a more diverse workforce in this rural community.

One of the accounts acquired was for the manufacturing of organic skin care products for the Suzanne Somers line, a popular Hollywood Actress. More recently the Maggio's have been contracted to manufacture products for a large company based in Malaysia. They plan to add even more equipment and employees to their operation which is sure to be an unparalleled success for the company within a short span of time.

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