

## North Central Economic Development Association Selected to receive \$500,000 From USDA

*Funds will capitalize a revolving loan fund to assist rural microentrepreneurs*

ST. PAUL, Minn. Nov. 14 -- USDA Rural Development State Director Colleen Landkamer today announced that the North Central Economic Development Association (NCEDA), which is the lending arm of Region Five Development Commission (R5DC) has been selected to receive a \$400,000 loan and a \$100,000 grant to assist rural microentrepreneurs and microenterprises.

“This investment helps NCEDA create new economic opportunities in north central Minnesota,” Landkamer said. “It is essential that we make sure rural entrepreneurs have access to capital in order to grow, create jobs and build more sustainable rural communities.”

The funds are being delivered through Rural Development’s Rural Microentrepreneur Assistance Program (RMAP) and will be used to capitalize a revolving loan fund to make loans to rural microentrepreneurs and microenterprises in ten central Minnesota counties. RMAP recipients are development organizations that make loans to microentrepreneurs and microenterprises and provide business-to-business training and technical assistance to rural micro-borrowers.

Business & Loan Developer, Joe Schulte, said “NCEDA/R5DC has been able to help small businesses by providing gap financing through its revolving loan fund since 1986. This specific lending opportunity is being offered in partnership with the East Central Regional Development Commission (ECRDC) to ten counties in central MN. With this new micro-lending option, eligible applicants will have an additional affordable funding source for business start-up or expansion projects that offer a high degree of technical assistance. Region Five and the ECRDC continue to find flexible solutions for business needs”.

R5DC Executive Director Cheryal Lee Hills states “We are extremely fortunate to partner with USDA Rural Development to deliver this important program and are grateful to the Initiative Foundation, Otto Bremer and Blandin Foundations for their support in providing the required matching reserve and start-up capital...this has been a multi-agency, multi-jurisdictional effort that we are thrilled to be a part of.”

**Lending criteria:** \$1,000-\$35,000, Terms: up to 10 years, Rates: will not exceed prime by more than 2%, Create 1 job for each \$10,000 loaned. Uses: Working capital, FFE, debt re-financing, business acquisition and more. Limitations: there are a few non-eligible purposes and limitations may apply.

To learn more about all loan programs offered, visit our website at [www.regionfive.org](http://www.regionfive.org) or to apply, contact Joe Schulte at 218-894-3233 or by email at [jschulte@regionfive.org](mailto:jschulte@regionfive.org).