



Committed to the future of rural communities.

Nevada—Rural Business Service

Capital Markets

Expansion in Microlending Aids Startups, Extends Capital to Rural Markets

Rural Nevada businesses needed capital, but banks were unwilling to make small- or medium-sized loans. In particular, loans were not being offered to Nevada's emerging business communities.

How Rural Development Helped:

In September 2010, USDA Rural Development selected the Rural Nevada Development Corporation (RNDC) to be among the first nonprofit development corporations in the nation to participate in the Rural Microentrepreneur Assistance Program (RMAP). Since then, RNDC has borrowed the maximum amount possible, \$500,000, and received a grant of \$103,000 to provide technical assistance to businesses as well. RNDC's RMAP loan funds have been relent as microloans between \$500 and \$50,000 to rural small businesses, farmers and ranchers in eligible areas across Nevada.

RNDC has worked with USDA Rural Development's Intermediary Relending Program (IRP) since 1992, so the transition to micro lending was a natural fit. RNDC received a \$700,000 IRP loan during



Marie's Café in McGill, Nevada, was the first business in the country to receive a loan under the RMAP. USDA Rural Development loans funds to the intermediary, Rural Nevada Development Corporation (RNDC) relends the funds to rural Nevada small businesses. More than 100 small businesses in Nevada have received micro loans through the program, with 40 jobs created and 66 jobs retained as a result.

FY '10 as well, bringing the IRP partnership with Rural Development to \$5.15 million.

The Results:

Over the last three years the RNDC, through the RMAP and Intermediary Relending Program (IRP), has provided over \$2 million in loans to small rural Nevada businesses, creating 40 jobs and retaining 66 jobs.

Marie's Café located in McGill, Nevada, was the first to receive a loan under the RMAP. Eight employees have been hired.

"We are glad we can assist start-up businesses in this tough economic climate- which is something that traditional lenders are shying away from right now," says RNDC Lending Administrator Mary Kerner.

Over the 20 years that USDA Rural Development and RNDC have worked together, more than \$10 million has been loaned out in rural Nevada, with more than \$5.15 million of that from USDA. All total, more than 100 businesses have been funded.

Fast Facts

Program: Rural Microentrepreneur Assistance Program and Intermediary Relending Program

Investment: \$500,000 RMAP Loan and \$103,000 TA grant; follows on \$4.55 million in prior Intermediary Relending Program loans from USDA Rural Development and \$303,872 in Rural Business Enterprise Grant assistance.

Partners: All of Nevada's Economic Development Authorities, 27 tribal governments, Inter-Tribal Council of Nevada, all of the banks and credit unions, all Chambers of Commerce, NV Small Business Development Centers, city and county governments, State of Nevada Community Development Block Grant program.

Demographics: Statewide, Nevada, Unemployment rate 13.5%.

Congressional District: NV 02, NV 04

Impact: Over the past 20 years, more than \$10 million has been invested in business development in rural Nevada by RNDC. Over the past three years, the RMAP and IRP programs have provided more than \$2 million in loans, creating 40 jobs and retaining 66 jobs.