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For Details, Contact:

SEDD
Phone (530) 823-4703

Sierra Economic Development District
560 Wall Street, Suite F
Auburn, CA 95603
Phone 530-823-4703
Fax 530-823-4142

SEDD news release

New SEDD Loan Programs Expand Capacity

*Business Loans can now be made up to \$150,000 –
Broadband Service program to target Sierra County*

July 9, 2007: Sierra Economic Development District (SEDD) will now accept applications for business loans up to \$150,000. These loans can be used for equipment, inventory, supplies, furniture, vehicles, and working capital. SEDD has identified a need for access to capital up to \$150,000, particularly in the rural parts of the Sierra from El Dorado County to the Oregon Border. The higher loan limit, made possible by a grant from the U.S. Department of Agriculture, compliments SEDD's recent expansion of its SBA lending area to add Sacramento and Yuba Counties. SEDD is the only Small Business Administration designated microlender in northeastern California. Since 1999, SEDD has provided over \$1.6 million in loan funds to more than 80 businesses. The SBA microloan program has a lending maximum of \$35,000.

Most banks have a policy against making loans to fund start-up businesses. They also prefer to make larger loans of \$50,000 or more. SEDD's new Rural Revolving Loan (RRLS), along with its SBA microloan program, means that SEDD can serve a new or existing business' needs for \$5,000 to \$50,000. The primary purpose of the two programs is to stimulate business growth that will create employment opportunities. The programs will also help diversity the economic base of the area and stimulate private sector capital improvement within the rural communities.

In addition to the RRLF, SEDD was recently awarded a grant from the USDA Rural Business Enterprise Grant program to create a Broadband Service Revolving Loan

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Fund (BSRLF), that will provide gap funding to small businesses engaged in the provision of Internet services to isolated and remote areas, especially in Sierra County. Loan funds will be provided to service providers for installation services and hardware for broadband Internet access.

SEDD also administers community revolving loan programs (CDBG) for the City of Colfax, the City of Lincoln, the City of Grass Valley, the City of Placerville, the City of Auburn and the County of Nevada. SEDD can often partner with a variety of public and private sources to make loans of more than \$150,000.

“We’ve focused a lot of attention on SEDD’s ability to provide access to sufficient capital for new and existing businesses in the nine-county area we now serve,” explained SEDD President/CEO Brent Smith, “and the new BSRLF will help get high-speed Internet service to many in the most rural areas of those nine counties, creating new opportunities for home-based businesses.”

Founded in 1969, SEDD is one of California’s oldest continually operating economic development organizations. It is a non-profit corporation funded by a combination of public and private sources for the preservation and growth of jobs in the counties of El Dorado, Placer, Nevada and Sierra. Members of the SEDD Board include elected officials and private citizens from each of the supported counties. For further information, contact SEDD at 530-823-4703 or visit www.sedd.org.