

## SEDC to Apply for USDA Funds for Business Loans

Community News - Published on: January 25, 2012

Federal funding could soon be awarded to the Seminole Economic Development Corp. for use by the governmental entity as loan incentives between the development recruitment/retention group and qualified businesses seeking development and/or expansion within Gaines County.

In a 6-0 vote by members of the SEDC's Board of Trustees on Monday afternoon, Corporation board members gave their administrative officials the approval to submit an application for the Rural Business Enterprise Grant, overseen by the United States Dept. of Agriculture.

SEDC officials, in the grant application, will be seeking \$200,000 for the revolving loan fund plan.

"This fund, if we are approved for it, will be used for job creation for businesses in or looking to come into Seminole and Gaines County," said Donna Johnson, SEDC Executive Director in Monday's presentation. "It's free government money, which is a good thing. The main thing is that we have to put our application in to see if we awarded for it."

Johnson said the loans would be available for businesses with fewer than 50 employees and with annual gross revenues less than \$1 million.

Interest rates for the loan, which would be overseen by a committee established by the SEDC, would range from "2-to-5-percent" and would be "no more than 2-percent over prime."

If awarded, SEDC officials will be required to add \$50,000 of their money into the revolving loan fund. In addition, SEDC officials would have just a 12 month period to dispense the requested \$200,000, or risk a clawback of the funding by the USDA.

"The real pressure is to get the money loaned out within the 12 month period," said Gary Parker, SEDC Board member in Monday's meeting. "Other than that, this would be a great program to take part in."

SEDC administration officials were expected to submit their grant application with USDA officials this week.

No timetable on when a USDA decision on the grant awarding was made available in Monday afternoon's meeting.

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