

Lenders explained business loan opportunities

By Giovanni Lamanna

Participant Holly Cardoza expressed appreciation that the information she heard during the recent "Meet the Lenders" event in Mount Shasta was "explained to me in a way that makes sense."

She said, "One thing that occurred to me is that, when we are in school, we are not really taught to be entrepreneurs, we are taught to have good jobs. This is teaching me to operate in a different way and be a creator."

Cardoza described the annual event held July 13 at the Mount Shasta Community Center as "very informative" and said, "I really like that everyone is in the same room. It is a lot of resources."

Those resources for the gathering of lenders and borrowers were brought together by the Women's Business Center at JEDI and Superior California Economic Development. The goal, according to an advance press release, was to help focus on financing for startups, strengthening and expanding businesses.

Great Northern Services Business Development Manager Seata Madison spoke about loan programs available in Siskiyou County during a presentation titled, "Funding a Local Deal/Case Study."

She said Great Northern administers loans through the Community Development Block Grant program, which is federally funded and administered by the State of California.

"There are various jurisdictions here in Siskiyou County that apply for grants during the funding year. Those grants are administered by Great Northern," said Madison, who listed the three components to the CDBG program as:

- The business assistance program, which has loans that reach



Great Northern Services Business Development Manager Seata Madison, front right, was one of the lenders who provided information for potential borrowers during JEDI's Meet the Lenders event on July 13 at the Mount Shasta Community Center. BY GIOVANNI LAMANNA

up to \$250,000. For each \$35,000 that is borrowed, the business has to create one full-time job or two part-time jobs. The program covers furniture, fixtures, equipment, business acquisition, and working capital. It does not cover instruction, and it is not available for non-profit organizations;

- The Micro Loan component, which allows for loans up to \$50,000, is for businesses that have five or fewer employees. With this program, the business is not required to hire a full-time employee but is required to income-qualify. It covers the same items as the business assistance program; and

- A grant program that offers

grants up to \$10,000 for "soft-costs," which are generally for marketing, business cards, computers that are specifically for the business, utilities, and rent. Madison said there is currently very little funding available in Siskiyou County for this component of the program.

She said Great Northern also administers the Rural Micro-enterprise Assistance program through the USDA. It offers loans up to \$50,000 and is for businesses with 10 or fewer employees. For the full \$50,000 loan, she said there is usually an interest rate of anywhere from 6 to 10 percent. The program funds the same items as a CDBG loan and,

accordingly, non-profit organizations are not able to apply.

The program does not cover construction nor demolition of any kind, and the business is required to pay a loan-associated cost, which is 1.5 percent of the total amount borrowed.

Participant Roger Gifford of Hornbrook said, "It sounds like they are making opportunity for people to actually be able to move forward with ideas and implement commerce without obstructions. It has been really difficult dealing with banks especially coming out of an economy that has been stagnant for so long."