

THE NEED FOR SMALL LOANS TO SMALL BUSINESS ENTERPRISES

The Northumberland County Economic Development Commission (EDC) *Mini-Loan Fund* has grown out of the experience of other rural areas in dealing with the economic problems of low-income communities. At the root of these problems is not a lack of desire among people, but a lack of credit—a great and growing need for capital. To help bridge the gap between those who have capital and those who need it, the EDC has been in contact with many people and organizations willing to invest in socially constructive and economically productive small-business enterprises.

But these enterprises can accomplish little without access to capital. Over time, their projects can pay for themselves, but they must borrow money to begin with. In seeking credit, as new organizations employing unconventional models of ownership and development in high unemployment communities, they must surmount a wide range of discouraging barriers. As a result, they usually find themselves in a "Catch-22" situation: they cannot get loans if they do not have a financial credit track record, and cannot develop a track record if they cannot get loans.

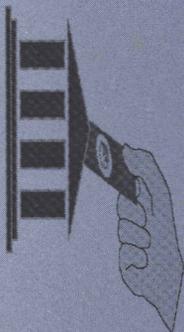
With conventional lenders unable to meet the need due to safety and soundness standards protecting depositors, new businesses are forced to seek alternative sources of capital, particularly those initial loans that will allow them to demonstrate their capability, make a meaningful contribution toward community growth, and to build a credit history. This is where the EDC *Mini-Loan Fund* comes in.

INVESTING IN PEOPLE

An investment of your time, talent and money in Northumberland County now will yield big dividends in the years ahead.

The *Mini-Loan Fund* builds a "human bridge" between socially concerned investors—individuals and businesses alike—and innovative community development projects. An investment in the people of the County is a wise and lasting investment.

As Northumberland County continues to grow, so shall the opportunities for a more prosperous future.



If you would like to learn more about the work of the Economic Development Commission, or...

- Want to make a tax deductible contribution to the *Mini-Loan Fund*;
- Would like to volunteer your time and talent as a mentor or counselor to small business owners; or,
- Are interested in obtaining a low interest business expansion loan through the *Mini-Loan Fund*.

Please contact the:

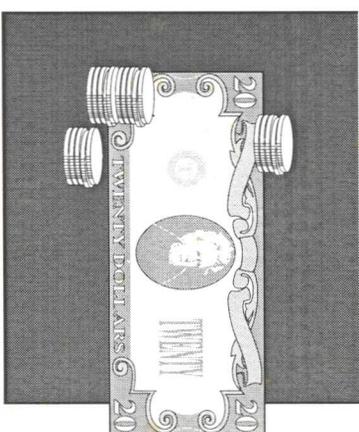
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NORTHUMBERLAND COUNTY

Economic Development Commission

MINI-LOAN FUND



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People
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In The Future

