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**Contact: Lindsay Anderson
NCED
775-687-9900**

Nevada Announces Funding Allocations to Support \$13 Million in Small Business Lending

Gov. Sandoval Meets with Department of the Treasury Representative to Discuss Program to Help Entrepreneurs Expand and Create Jobs

(Carson City, Nev. – May 2, 2011) – Today, Gov. Brian Sandoval met with Department of the Treasury Director for the State Small Business Credit Initiative Cliff Kellogg to discuss the Treasury’s allocation of \$13,803,176 million to Nevada through the State Small Business Credit Initiative (SSBCI). The SSBCI will support new small business lending through innovative local programs that help entrepreneurs expand their businesses and create new jobs.

“The SSBCI funds will provide essential support to help local entrepreneurs obtain the credit they need to put more Nevadans back to work,” said Sandoval. “Nevada small businesses will lead our state’s recovery and create jobs.”

Under the SSBCI, Nevada has the opportunity to apply for federal funds for programs that partner with private lenders to extend greater credit to small businesses. The state is required to demonstrate a minimum "bang for the buck" of \$10 in new private lending for every \$1 in federal funding. The application detailing use of the funds must be submitted to the Treasury by June 27, 2011.

The SSBCI encourages Nevada to design its program to match the specific needs of small businesses within the state. Nevada’s SSBCI funds will be used as an investment where funds will either be housed in Nevada banks as collateral against new loans or invested directly into small business lending programs. Over a seven-year term, Nevada’s original \$13.8 million allocation becomes state money eligible for any use.

Taking input from stakeholders, including the lending and business community, Nevada’s SSBCI team is currently considering the following investment mix:

\$9.3M Collateral Support Program: Small business owners in Nevada are finding it difficult to access credit due to a “loss” in collateral. A collateral support program will provide capital to fill this “gap” created by this devaluation in collateral, allowing banks to move forward with loans to these otherwise qualified lenders. All Nevada banks will be eligible to participate.

\$3.0M Nevada State Business and Industrial Development Corporation (BIDCO): The BIDCO would increase the availability of financial and management assistance resources to small and medium sized businesses across Nevada and to assist in their efforts to locate, remain and expand in the state.

\$0.5M Nevada Microenterprise Initiative (NMI): This statewide entity is a private non-profit community development financial institution (CDFI), that provides business education through classes and online training, houses the SBA’s Women’s Business Center and is Nevada’s only SBA “micro lender.” NMI provides loans under \$50,000 to start-ups and to cottage industries.

\$1.0M Venture Capital Fund Program: The SSBCI team anticipates that the creation of the Catalyst Fund and the Knowledge Fund in Assembly Bill 449 will provide an opportunity to invest SSBCI dollars in tandem with the creation of these new economic drivers, dependent on how the new Commission structures the entity.

The creation of a small, temporary task force is being considered to oversee the program including the final application to be submitted to the Treasury as well as approval of specific allocation of the SSBCI funding.

About the Nevada Commission on Economic Development

The Nevada Commission on Economic Development promotes a robust, diversified and prosperous economy based on innovation, human ingenuity and sustainability. This is achieved through programs including national and international Business Development, Community Development Block Grants, Procurement Outreach and the Nevada Film Office. NCED has offices at 808 W. Nye Lane in Carson City, Nevada and at 555 E. Washington Ave., Suite 5400 in Las Vegas, Nevada. More information can be accessed at www.diversifynevada.com or by calling 800-336-1600.

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