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**CVCAC Awarded \$700,000 Federal Grant to Offer Statewide Loan Services to Micro and Small Businesses through Community Capital**

Central Vermont Community Action Council (CVCAC) has been awarded a federal grant in the amount of \$700,000 from the Federal Office of Community Services to launch a statewide microenterprise loan fund for Vermont, CVCAC's Executive Director Hal Cohen announced on Wednesday. The loan fund will be administered by an existing Community Development Financial Institution (CDFI)—Community Capital of Central Vermont. "This funding enhances the availability of capital to underserved microbusiness owners across Vermont and will hopefully spur new business start-ups and growth. We look forward to working closely with our partners on this effort," said Robin Chase, Community Capital's Board President.

Ultimately, the \$700,000 in OCS funds will assist Community Capital in lending \$1.5 million to 96 micro and small businesses statewide over the next three years. In turn, these businesses are expected to create 144 jobs, most of which will be held by low and moderate income Vermonters. Many of these loans are expected to average \$15,000 in size and will be used to help entrepreneurs who are not eligible for traditional banking financing to start and grow their businesses. Of the \$700,000 in OCS funds, \$400,000 will cover grant management, evaluation, start-up, and capacity building expenses. The remaining \$300,000 shall be invested as loan capital.

CVCAC and Community Capital will work in partnership with the Vermont network of community action agencies, which operate Vermont's premier microenterprise development training and technical assistance program. Additionally, CVCAC is coordinating activities with a wide variety of state partners including Vermont's TANF agency—the Vermont Division of Economic Services; the Department of Employment and Training; the Office of Child Support; Vermont Division of Vocational Rehabilitation; and Vermont's Office of Economic Opportunity. Other community partners include Vermont Job Start, Vermont Community Loan Fund, Vermont Women's Business Center, the Abilities Fund, and the Women's Agricultural Network.

Since inception, Community Capital has lent over \$1.6 million in loans to 60 businesses in the central Vermont region and is celebrating its 10<sup>th</sup> anniversary in 2005. CVCAC is a community action agency and community development corporation celebrating its 40<sup>th</sup> anniversary working in the central Vermont community.

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