



THE RISING TIDE

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FOR YOUR INFORMATION...

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RISING TIDE COMMUNITY LOAN FUND RAISES LOAN LIMIT

Availability of Capital Enables Microlender to Respond to Demand for Larger Loans; Wachovia Community Development Corporation Doubles its Investment

The Rising Tide Community Loan Fund has raised its maximum loan amount from \$25,000 to \$35,000. The microlender, which has made 52 loans totaling \$857,072 since its creation in 2001, has been receiving more requests for loans in excess of the \$25,000 limit, which has been in place since the Fund was established.

The Rising Tide has also seen a jump in demand for its loans as local financial institutions tighten the availability of credit. According to Fund Director Chris Hudock, banks have raised their expectations of their borrowers' credit scores or taken other steps to cut back on loan losses. Consequently, loan applications in October and November have increased by more than 50% over July and August.

New investments in The Rising Tide have enabled the lender to respond to the increased demand. Most significantly, Wachovia Regional Community Development Corporation doubled its \$50,000 investment to \$100,000. Wachovia receives a 2% return on its investment. Along with other recent investments from Lehigh and Northampton counties and a network of private investors, The Rising Tide has \$335,000 available to lend.

The Rising Tide Community Loan Fund is a federally-certified community development financial institution that was created to extend credit to entrepreneurs located in communities where resources and opportunities for growth are limited. Funds can be used for equipment, marketing costs, inventory, working capital and lease-hold improvements. Its terms are flexible. Businesses also have access to extensive technical assistance, including one-on-one assistance from Rising Tide, and a complete, multi-week entrepreneurial training program, called "Start Your Business," that is provided by the Community Action Development Corporation of Allentown in the city's downtown and the Community Action Development Corporation of Bethlehem on the Southside.

The Rising Tide Community Loan Fund is a subsidiary of the Community Action Committee of the Lehigh Valley.