**Establishing an Iowa Microenterprise Foundation**

The Iowa Microenterprise Foundation focused on providing capital and technical assistance to a wide range of small entrepreneurs across Iowa and offering effective access to capital financing for local food system entrepreneurs.

**What was done and why?**

Entrepreneurial technical assistance networks were interviewed and lenders were surveyed by CVC and Iowa Bankers Association to identify gaps in Iowa’s entrepreneurial development system. The surveys and interviews confirmed that small entrepreneurs often had difficulty accessing small loans of less than $50,000 and working with technical assistance networks.

On March 3, 2008, the Iowa Foundation for Microenterprise and Community Vitality (IFMCV) was organized as an Iowa nonprofit corporation. A $500,000 grant was received from Northwest Area Foundation and Community Foundation of Greater Des Moines. CVC committed $50,000 per year contingent on federal appropriations. A loan administrator with 27 years of entrepreneurial lending experience was hired. The entity was designated as a statewide intermediary for the Small Business Administration (SBA) Microloan Program and a $750,000 SBA revolving microloan fund was approved. A website (www.iowamicroloan.org) was created to offer statewide access to the Iowa MicroLoan program and applications. Loan policies and procedures were established and a Loan Review Committee began to review applications.

**What did we learn?**

The IFMCV has demonstrated a model that can serve as a complementary backstop to conventional lenders. It increases entrepreneurial access to capital for emerging regional food systems entrepreneurs.

The odds of longer term sustainability for a microfinance intermediary are enhanced if it is able to achieve a 50 percent low-income level in clients and cultivate a diversified portfolio across many different industries. IFMCV has achieved these dual objectives.

There likely will be several additional opportunities for IFMCV to develop sustainable affiliate relationships as additional regional food networks emerge from ad hoc networks to more formalized supply chains of legal entities, marketing channels, and higher performing enterprises.