Press Release Monday, June 20th 2016

**Local Enterprise Office welcomes interest rate cut for small businesses**

***News from Microfinance Ireland also welcomed by Minister Mary Mitchell O’ Connor and Minister of State Pat Breen***

Local Enterprise Office Limerick has welcomed the news that Microfinance Ireland is cutting its interest rates on new lending from July 1st. This cut means that loans through Local Enterprise Offices will become more affordable for small businesses and start-ups.

The lending rate is being cut by 1% and the new rate from July 1st will be 6.8% APR, through the network of Local Enterprise Offices around the country.

Welcoming the news from Microfinance Ireland, the Head of Local Enterprise Office Limerick said: “This interest rate cut will make microfinance loans even more affordable for local businesses and start-ups that need access to finance to fund their expansion here in the region. As part of the range of supports that the Local Enterprise Office offers to the small business community, this microfinance loan product can help entrepreneurs unlock even more jobs locally.”

Small businesses and start-ups can apply for loans of between €2,000 and €25,000, directly through the LEO, as long as they employ fewer than 10 people and have a turnover of under €2 million.

Companies that have already benefitted from the Microfinance Ireland loan product through the Local Enterprise Offices include: My Choice, Dublin Indoor Football, Sky Caeser (Ballyfermot Café), Adare Farm, Castlemine Farm, TaxAssist Accountants, Howth Cuisine, Miena’s Nougat, Brian Fox Tiling, Offaly Gearbox, Terraclean, Player 1 Gaming and Cell Media.

Microfinance Ireland is a government funded not-for-profit lender and it also launched a new support programme, offering mentoring assistance to direct loan applicants in partnership with the Local Enterprise Offices.

Garrett Stokes, the newly-appointed Chief Executive of Microfinance Ireland, said: “The interest rate cut and mentoring support will mean our business loans are now even more affordable. It also means that our clients can receive expert one-to-one mentoring through their Local Enterprise Office, greatly increasing their chances of commercial success and helping to sustain jobs in the longer term. Since Microfinance Ireland was set up in 2012, we have approved €14.1m in loans to 944 businesses supporting 2,148 jobs. We’re happy to support all types of micro- businesses, helping to spread the economic recovery right across the country.”

The interest rate cut was also welcomed by the Minister for Jobs, Enterprise and Innovation, Ms. Mary Mitchell O’ Connor T.D. and The Minister of State for Employment and Small Business, Pat Breen T.D.

Minister Mitchell O’ Connor said: “I welcome this development from the new CEO of Microfinance Ireland Garrett Stokes, that in line with the Government’s Action Plan for Jobs, loans to micro-enterprises will become more affordable. In addition, I welcome the introduction of valuable business supports to aid small enterprises, increasing their chances of commercial success, thus creating and sustaining jobs and which greatly helps in improving the economy overall”.

Further information about the Microfinance Ireland loan product on offer through the Local Enterprise Offices is available through [www.localenterprise.ie](http://www.localenterprise.ie)

**ENDS**

For all media queries, please contact your Local Enterprise Office.

**Notes to Editor**

**About Local Enterprise Offices (**[**www.localenterprise.ie**](http://www.localenterprise.ie)**)**

As part of a range of reforms carried out by the Department of Jobs, Enterprise and Innovation (DJEI) in recent years, the 31 Local Enterprise Offices (LEOs) were established to provide a ‘first-stop shop’ system of enterprise supports to start-ups and small businesses across the country. Located in the Local Authorities, the LEOs are operated on a partnership basis by Enterprise Ireland and the Local Authorities and their parent Departments, DJEI and the Department of Housing, Planning and Local Government.

The LEOs provide funding for projects primarily in the manufacturing and internationally traded services sector which over time have the potential to develop into strong export entities. There are three main categories of grant under which direct financial assistance is provided – Priming, Feasibility and Business Expansion. The LEOs also provide microfinance loans, training and mentoring support to entrepreneurs and businesses to assist business development and performance.

The LEOs through appropriate referral also ensure that people thinking of starting or expanding a business in every part of the country are able to access the full range of State supports provided by different Government bodies – for example Revenue, the Department of Social Protection, the Credit Review Office, Education and Training Boards – in one easily accessible location within the Local Authority.

Details on all the supports available for small businesses and microenterprises through the 31 LEOs are available at [www.localenterprise.ie](http://www.localenterprise.ie/).

**About Microfinance Ireland (MFI)** [**www.microfinanceireland.ie**](http://www.microfinanceireland.ie)**:**
Microfinance Ireland as a not-for-profit lender, was established to deliver the Government’s Microenterprise Loan Fund. Microfinance Ireland provide an alternative source of funding to micro-enterprises\* – both new and existing, who may be having difficulties in accessing finance from commercial providers and ultimately supports the creation and/or retention of jobs. In 2015 approximately two-thirds of approved loans went to support Start-Up companies, with the remainder going to existing small businesses that were looking to expand and develop. \* Micro-enterprises are defined as any business with less than 10 employees and annual turnover of less than €2M