

News Release

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NEW KC FED ARTICLE EXPLORES EVOLVING CREDIT CONDITIONS FOR RURAL BUSINESS OWNERS

A steep recession and financial meltdown have led to tight credit markets in rural America. The latest issue of the *Main Street Economist* explores how credit conditions are evolving for rural business owners.

In the article “Monitoring Credit Conditions in Rural America,” Federal Reserve Bank of Kansas City – Omaha Branch economist Brian Briggeman delves into new federal credit programs that have been expanded. The American Recovery and Reinvestment Act recently enacted by Congress has expanded funds for loan guarantee and lending programs with the Farm Service Agency, Small Business Administration and the U.S. Department of Agriculture. These programs may be able to assist small business owners and young and beginning farmers who have difficulty accessing credit.

Briggeman also reviews gauges that can shed light on current credit conditions and provide rural business owners information they can use to identify when credit markets turn. The article demonstrates how trends in three surveys or indicators can provide useful data, including agricultural credit surveys by several Federal Reserve Banks, the Federal Reserve Board’s quarterly survey of senior loan officers, and the TED spread.

The complete article is available at:

<http://www.kansascityfed.org/regionalaffairs/mainstreet/mainstmain.htm>.

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

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