



“Promoting Innovation in Maryland Agricultural and Resource-Based Business”

Application for the Rural Business Equipment and Working Capital Loan Fund

Program Description

The Rural Business Equipment and Working Capital Loan Fund has been established by MARBIDCO to help meet the unique financing needs of Maryland’s rural businesses with respect to working capital and equipment purchases. This program makes available low-interest loans to qualified applicants for working capital and equipment purchases (only). This program is supported by MARBIDCO (utilizing State funds) and the United States Department of Agriculture – Rural Development (USDA-RD). A major aim of this program is to help rural businesses innovate, diversify, and exploit emerging market opportunities. Another important objective of this program is to complement the financial services offered by private commercial lenders by helping to make rural business financing both available and affordable.

MARBIDCO may finance the activities of agricultural or resource-based businesses located anywhere in the State of Maryland. USDA-RD funds may only be used to finance business projects located in rural areas, and may not be used to finance conventional agricultural production activities. (However, USDA-RD funds may be used to finance commercial nurseries, forestry operations, hydroponics, and aquaculture projects.) Some loans made under this program will utilize a combination of MARBIDCO and USDA-RD resources while others will use MARBIDCO funds exclusively. Those loans funded using USDA-RD resources must receive the approval the State USDA-RD office (and MARBIDCO will help facilitate this approval). MARBIDCO will make and service all loans.

Loan Terms and Conditions

| | |
|----------------------------------|---|
| Maximum Loan Amount: | \$75,000 |
| Equity Requirement: | Typically 10% of a project’s total cost. |
| MARBIDCO Interest Rate: | 4.75% APR (Fixed rate.) |
| Loan Origination Fee: | 0.5% of loan amount (Paid at closing to MARBIDCO.) |
| Loan Terms: | Equipment: 3 to 7 years. Operating Line: 1 to 2 years. |
| Commercial Lender Participation: | A commercial lender must participate in the application process by providing a letter of referral. An attachment to be completed by a financial institution describing current loan obligations is found at the end of this application form. |
| Personal Guarantee: | Required. All loans made to a business entity must be personally guaranteed by the owners of the business. |
| Application Submission Process: | All applications must be originated by the applicant. Cooperative extension agents, county agricultural marketing officials, and other business professionals may assist in the development of applications. Applications are processed as they are received. |
| USDA-RD Participation: | Loan requests to be funded in part by USDA-RD resources must be approved by USDA-RD. MARBIDCO will make the determination as to which loan requests need USDA-RD approval based on their eligibility criteria. |
| Send Completed Applications to: | MARBIDCO Loan Programs, 1410 Forest Drive, Suite 28, Annapolis, MD 21403 |

SECTION 1: APPLICANT INFORMATION

Business/Farm Name _____

Business Address _____ County _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ E-mail _____

Home Telephone _____ Mobile Phone _____

LOAN REQUEST INFORMATION

Total Amount Requested from MARBIDCO: _____ Term Requested: _____

Repayment Method (circle one): monthly quarterly annually

| Use of Funds | Amount |
|--------------|--------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |

Other Sources of Equity and/or Matching Funds:

| Source | Amount |
|--------|--------|
| | \$ |
| | \$ |
| Total | \$ |

COLLATERAL

(List all collateral that can be used as security for the loan and any other lien holders on each item of collateral.)

| Collateral | Value | Lien Holders | Amount Owed |
|------------|-------|--------------|-------------|
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |

BUSINESS STRUCTURE

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship LLC SIC/NAICS Code _____

SECTION 2: PROJECT INFORMATION

PROJECT TYPE

(Check any that may apply.)

- Value-Added Food Processing
- Agri-Tourism/Rural Recreation
- Timber Growing or Harvesting
- Primary/Secondary Wood Processing
- Environmental/Water Quality
- Biomass/Energy Production
- Niche Market Production
- Aquaculture/Fishing/Seafood
- Other: _____

BRIEF DESCRIPTION OF PROJECT, INCLUDING THE JUSTIFICATION FOR MARBIDCO FINANCING

(Include details on any land or equipment to be purchased and any labor that will likely be needed.)

EMPLOYMENT DATA

of full-time jobs current _____ # of NEW full-time jobs projected within 36 months _____

of part-time jobs current _____ # of NEW part-time jobs projected within 36 months _____

PROJECT ADVISOR(S) *(If Applicable)*

1-Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

2-Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

SECTION 3: MANAGEMENT/OWNERSHIP

1-Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

2- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

3- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

4- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

PHYSICAL FACILITIES (REAL ESTATE)

If Owned

Annual Mortgage Payment _____ Term of Mortgage _____

Mortgage Balance _____ Appraised Value _____

Size(acres) _____ Tillable Acres _____ Number of Parcels _____ Irrigated? _____

Type/# of Buildings _____

If Leased

Annual Rental Expense _____ Lease From _____

Size(acres) _____ Location _____

Phone Number of Owner/Leasing Agent _____

DECLARATIONS

If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.

- 1. Is the business or any of the top management personnel an endorser, guarantor or co-signer for obligations not listed on its/their financial statements? Yes No
- 2. Is the business or any of the top management personnel a party to any claim or lawsuit? Yes No
- 3. Has the business or any of the top management personnel ever declared bankruptcy? Yes No
- 4. Does the business or any of the management personnel owe any taxes for prior years? Yes No
- 5. Have any managers or owners received a felony conviction? Yes No

SECTION 4: SIGNATURES

EQUAL CREDIT OPPORTUNITY ACT (15 U.S.C. 1691)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

AUTHORITY TO COLLECT PERSONAL INFORMATION

This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974). Effect of Non-Disclosure: Omission of an item means your application might not receive full consideration.

I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the project financing. I/We waive all claims against either the sponsoring financial institution or MARBIDCO.

I/We realize that if I/We do not comply with the aforementioned Certification, my/our loan can be called, terminated or repayments accelerated.

CERTIFICATION

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge and is submitted so the MARBIDCO Loan Committee can decide whether to offer financial assistance.

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

SECTION 5: ATTACHMENTS

ATTACHMENTS CHECKLIST

1. Description and history of the applicant company or farm operation.
2. Business plan for the project to receive financing.
3. Resume(s) or working history of principal business owner(s) and/or farm manager(s).
4. Applicant *and* farm operation tax returns for the two preceding years.
5. Completed Balance Sheet (attachment 1).
5. Completed Pro Forma Income Statement (attachment 2).
5. Completed Debt Repayment Schedule (attachment 3).
6. If offering real estate as collateral, a copy of the most recent appraisal.

Note: MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 10, Subtitle 6 of the State Government Article of the *Annotated Code of Maryland*. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.

COMMERCIAL LENDER FORM
MARBIDCO RURAL BUSINESS EQUIPMENT AND WORKING CAPITAL
LOAN FUND APPLICATION

Name of Applicant _____

Address _____

Business Project/Activity _____

I do hereby authorize the release of the following information to MARBIDCO:

Signature of Applicant _____ Date _____

An applicant is requesting a Rural Business Working Capital Loan from MARBIDCO. Please kindly provide the information requested below in order that MARBIDCO may process this application. It is understood that you are not offering an opinion as to whether or not MARBIDCO should make a loan to the applicant.

Lending Institution Name _____

Business Address _____ City _____

County _____ State _____ Zip Code _____

Bank Officer Name _____ Title _____

Work Telephone _____ E-mail _____

| DESCRIPTION OF CURRENT LOANS MADE TO THE APPLICANT | LOAN TERM | COLLATERAL | AMOUNT BORROWED | AMOUNT OUTSTANDING |
|--|-----------|------------|-----------------|--------------------|
| | | | \$ | \$ |
| | | | \$ | \$ |
| | | | \$ | \$ |

Please briefly describe the loans (current or past), terms and conditions, collateral, and business relationship you have with the applicant?

Bank Officer Signature _____ Date _____

Balance Sheet

Balance Sheet Date: _____

| <u>Assets</u> | <u>Liabilities</u> |
|-----------------------------------|--|
| Current Assets | Current Liabilities |
| Cash _____ | Accounts Payable _____ |
| Accounts Receivable _____ | Credit Cards (specify): _____ |
| Notes Receivable _____ | _____ |
| _____ | _____ |
| Crops Held for Resale _____ | _____ |
| Inventory _____ | _____ |
| Savings Account _____ | Notes Payable (specify): _____ |
| Other Current Assets _____ | _____ |
| Current Assets | _____ |
| Automobile/Trucks/Boats _____ | Other Liabilities _____ |
| Machinery & Equipment _____ | Current Liabilities |
| Shops & Supplies _____ | _____ |
| Dairy Livestock _____ | Current Portion of Long Term Debt* _____ |
| Other Breeding Livestock _____ | _____ |
| IRA/401K Retirement Accts _____ | Mortgages (specify) _____ |
| Farm Land _____ | _____ |
| Acres _____ | _____ |
| Acres _____ | Car Loans (specify) _____ |
| Acres _____ | _____ |
| Forest Land _____ | _____ |
| Acres _____ | Other long-term Loans (specify) _____ |
| Acres _____ | _____ |
| Acres _____ | _____ |
| Residence _____ | _____ |
| Other Real Estate (specify) _____ | _____ |
| _____ | Non Current Liabilities |
| Non Current Assets | Total Liabilities |
| _____ | _____ |
| Total Assets | Total Liabilities |
| _____ | _____ |

*Current portion of long term debt represents the total amount of long-term debt that must be paid within the next year.

Pro Forma Income Statement

(Revenue and expense projections for the upcoming year)
Date: _____

Farm/Business Income and Expenses

| Income | |
|-----------------------------------|-------|
| Sales of: | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Rental Income | _____ |
| Ag Program Payments | _____ |
| Other Income (specify) | _____ |
| _____ | _____ |
| _____ | _____ |
| Less Cost of Goods Sold | _____ |
| Gross Farm/Business Income | _____ |

| Expenses | |
|-------------------------------------|-------|
| Advertising | _____ |
| Car & Truck Expenses | _____ |
| Chemicals | _____ |
| Salaries & Wages | _____ |
| Labor Hired | _____ |
| Custom Hire/Consultants | _____ |
| Feed Purchased | _____ |
| Fertilizer | _____ |
| Freight, Trucking | _____ |
| Gasoline, Fuel, Oil | _____ |
| Insurance | _____ |
| Rent of Machinery & Equip | _____ |
| Rent of Farm, Pasture | _____ |
| Repairs, Maintenance | _____ |
| Seeds, Plants Purchased | _____ |
| Storage, Warehousing | _____ |
| Utilities | _____ |
| Veterinary, Medicine, Breeding | _____ |
| Miscellaneous Expenses (specify) | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total Farm/Business Expenses | _____ |
| Net Farm/Business Income | _____ |

Other Income and Expenses

| Income | |
|--------------------------------|-------|
| Salaries & Wages | _____ |
| Interest & Dividends | _____ |
| Non Farm Rental | _____ |
| Pension/Social Security | _____ |
| Alimony/Child Support | _____ |
| Other Income (specify) | _____ |
| _____ | _____ |
| _____ | _____ |
| Gross Other Income | _____ |
| | |
| Expenses | |
| Social Security Withholding | _____ |
| Self-Employment Taxes | _____ |
| Income Taxes (State & Federal) | _____ |
| Alimony/Child Support | _____ |
| Other Expenses (specify) | _____ |
| _____ | _____ |
| _____ | _____ |
| Total Other Expenses | _____ |
| Net Other Income | _____ |

Farm or Business Debt Repayment Schedule

Date: _____

| Lender and Loan Number | Original Amount | Date Incurred | Interest Rate | Payments Per Year | Amount of Periodic Payment | Loan Balance |
|------------------------|-----------------|---------------|---------------|-------------------|----------------------------|--------------|
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| Annual Totals | | | | | | |

Personal Debt Repayment Schedule

(including car loans)

Date: _____

| Lender and Loan Number | Original Amount | Date Incurred | Interest Rate | Payments Per Year | Amount of Periodic Payment | Loan Balance |
|------------------------|-----------------|---------------|---------------|-------------------|----------------------------|--------------|
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| Annual Totals | | | | | | |