



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

**Application for the Forestry Equipment And Working Capital Loan Fund**

**Program Description**

The Forestry Equipment and Working Capital Loan Fund has been established by MARBIDCO to help meet the unique financing needs of Maryland’s forest products 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. This program is supported by State funds, and may also utilize funds provided by the United States Department of Agriculture – Rural Development (USDA-RD). A major aim of this program is to help forest products-related businesses to innovate and better 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.

Because of the highly leveraged nature of many forest products industry businesses, MARBIDCO’s maximum outstanding aggregate portfolio balance under this loan program cannot exceed a total of \$400,000. Because of this limitation, please contact the MARBIDCO office for guidance prior to completing an application. In a special effort to better serve the forest products industry in Maryland, MARBIDCO will utilize slightly more liberal underwriting guidelines than normal for making loans under this program (including the utilization of a minimum cash flow coverage ratio of 1.0/1.0, as well as partially relaxed collateral security requirements, where appropriate). MARBIDCO will make and service all loans under this program, but a letter of referral from a commercial lender is required as part of the application process.

**Loan Terms and Conditions**

Maximum Loan Amount:	\$150,000
Equity Requirement:	Typically 10% of a project’s total cost.
MARBIDCO Interest Rate:	Will be established on a case-by-case basis based on the level of anticipated credit risk. The lowest interest that may be offered is: The Prime Rate minus 1% APR (Fixed rate). The maximum interest rate for any loan made under this program will be 10% APR (Fixed rate).
Loan Origination Fee:	0.5% of loan amount (Paid at closing to MARBIDCO.)
Loan Terms:	Equipment: 3 to 6 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, Maryland Forest Service, 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 26, 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 Secondary Wood Processing
- Timber Growing or Harvesting
- Environmental/Water Quality
- Biomass/Energy Production

**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 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>
<b>Current Assets</b>	<b>Current Liabilities</b>
Cash _____	Accounts Payable _____
Accounts Receivable _____	Credit Cards (specify): _____
Notes Receivable _____	_____
_____	_____
Crops Held for Resale _____	_____
Inventory _____	_____
Savings Account _____	Notes Payable (specify): _____
Other Current Assets _____	_____
<b>Current Assets</b>	_____
Automobile/Trucks/Boats _____	Other Liabilities _____
Machinery & Equipment _____	<b>Current Liabilities</b>
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) _____	_____
_____	<b>Non Current Liabilities</b>
<b>Non Current Assets</b>	<b>Total Liabilities</b>
_____	_____
<b>Total Assets</b>	<b>Total Liabilities</b>
_____	_____

*\*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

### Other Income and Expenses

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

<b>Income</b>	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
<b>Gross Other Income</b>	_____

<b>Expenses</b>	
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)	_____
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total Farm/Business Expenses</b>	_____

<b>Expenses</b>	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
<b>Total Other Expenses</b>	_____
<b>Net Other Income</b>	_____

**Net Farm/Business 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
<b>Annual Totals</b>						

### 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
<b>Annual Totals</b>						