



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

Application Instructions for the Rural Business Working Capital Loan Fund

Program Description

The Rural Business 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 ó 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:	4-5% APR (Fixed rate.)
Loan Origination Fee:	0.5% of loan amount (Paid at closing to MARBIDCO.)
Loan Terms:	Equipment: 3 to 5 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.
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

Required Attachments to the Application

1. Description and history of the applicant company or farm operation.
2. Business plan for the project to receive financing.
3. Resume(s) of principal business owner(s) and/or farm manager(s).
4. Letter of referral from commercial lending institution.
5. Applicant company or farm operation tax return for the two preceding years.
6. Applicant company or farm operation pro forma income statement, balance sheet, and debt repayment schedule.

Application for a Maryland Rural Business Working Capital Loan

SECTION 1: APPLICANT INFORMATION

Business/Farm Name _____

Business Address _____

City _____ County _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ Mobile Telephone _____

E-mail _____ Fax Number _____

Social Security# (or Federal ID#) _____ Date of Birth _____

LOAN REQUEST INFORMATION

Total Amount Requested: _____ Term Requested (in months): _____

Use of Funds	Amount
	\$
	\$
	\$

Other Sources of Equity and/or Matching Funds:

Source	Amount
	\$
	\$
Total	\$

COLLATERAL SECURITY

(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	Payment Amount	Payment Frequency
	\$		\$	\$	
	\$		\$	\$	
	\$		\$	\$	

PROJECT ADVISOR(S) (If Applicable)

1) Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

2) Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

SECTION 2: PROJECT INFORMATION

PROJECT TYPE

(Check all that may apply.)

- | | |
|---|--|
| <input type="checkbox"/> Value-Added Food Processing | <input type="checkbox"/> Agri-Tourism/Rural Recreation |
| <input type="checkbox"/> Timber Growing or Harvesting | <input type="checkbox"/> Primary/Secondary Wood Processing |
| <input type="checkbox"/> Environmental/Water Quality | <input type="checkbox"/> Biomass/Energy Production |
| <input type="checkbox"/> Aquaculture/Fishing/Seafood | <input type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF PROJECT, INCLUDING THE JUSTIFICATION FOR FINANCING

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

Revised 1.22.08

SECTION 3: INFORMATION ABOUT YOUR BUSINESS

BUSINESS STRUCTURE

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship LLC [SIC/NAICS Code _____]

Type of Business _____

Is at least 51% of the business owned by either U.S. citizens, or by persons that reside in the U.S. after being legally admitted for permanent residence?

____ Yes ____ No

BUSINESS MANAGEMENT/OWNERSHIP

1) Name _____ Social Security # _____

Title _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

2) Name _____ Social Security # _____

Title _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

EMPLOYMENT DATA

of current full-time jobs _____ # of current part-time jobs _____

of full-time jobs projected within 12 months _____

of part-time jobs projected within 12 months _____

Does your business have less than 50 employees and no more than \$1,000,000 in annual sales?

____ Yes ____ No

How many jobs do you expect that this loan will help to retain or create?

____ Full-time ____ Part-time

PHYSICAL FACILITIES (REAL ESTATE)

Number of Acres of Land Owned _____ Number of Acres of Land Leased _____

Land, If Owned (Property A)

Annual Mortgage _____ Mortgage Balance _____

Term of Mortgage _____ Size (acres) _____

Type /# of Buildings _____ Appraised Value _____

Land, If Owned (Property B)

Annual Mortgage _____ Mortgage Balance _____

Term of Mortgage _____ Size (acres) _____

Type /# of Buildings _____ Appraised Value _____

SECTION 4: MISCELLANEOUS QUESTIONS

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 or current years?

Yes No

5. Have any managers or owners received a felony conviction?

Yes No

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.

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 _____

Date _____

Date _____

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.

If Applicant is a PROPRIETOR OR GENERAL PARTNER, sign below:

_____ Signature of borrower Date _____
_____ Print name and title of borrower
_____ Print address of borrower

If Applicant is a CORPORATION, sign below:

I agree to personally guarantee any loan repayments that may be due to MARBIDCO in the event of a payment default by the corporation.

_____ Signature of president Date _____
_____ Print name and title of president

Attested by:

_____ Signature of corporate secretary

Corporate Seal Date: _____

_____ Signature of preparer if not applicant
_____ Print name and title of preparer
_____ Print address of preparer

Signature _____ Date _____

Witness _____

Date _____

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 and attach a letter of referral from your financial institution (on your company letterhead) 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 _____	Taxes _____
Accounts Receivable _____	Accounts Payable _____
Notes Receivable _____	Credit Cards (specify) _____
Crops Held for Resale _____	_____
Inventory _____	_____
Other Current Assets _____	_____
Current Assets _____	_____
Automobile/Trucks/Boats _____	Notes Payable (specify) _____
Machinery & Equipment _____	_____
Dairy Livestock _____	Other Liabilities _____
Other Breeding Livestock _____	Current Portion of Long Term Debt* _____
IRA/401K Retirement Accts _____	Current Liabilities _____
Farm Land _____	Long Term Liabilities (specify) _____
Acres _____	_____
Acres _____	_____
Acres _____	_____
Forest Land _____	_____
Acres _____	_____
Acres _____	_____
Acres _____	_____
Residence _____	_____
Other Real Estate _____	_____
_____	_____
Non Current Assets _____	Non Current Liabilities _____
_____	Total Liabilities _____
_____	Net Worth _____
Total Assets _____	Total Liabilities & Net Worth _____

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

Expenses

Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Custom Hire/Consultants	_____
Labor Hired	_____
Employee Benefits	_____
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 _____

Prior Year Depreciation _____

Other Income and Expenses

Income

Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Schedule C Income	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses

Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Living Expenses	_____
_____	_____
_____	_____
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
Annual Totals						

Personal Debt Repayment Schedule

Date: _____

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