



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

### **Instructions for Maryland Resource-Based Industry Financing Fund Loan**

#### **Program Description**

The Maryland Resource-Based Industry Financing Fund has been established by MARBIDCO to help meet the unique financing needs of Maryland farm, forestry and seafood businesses, particularly with respect to entrepreneurship and business innovation. A major aim of this program is to help agricultural and resource-based businesses to innovate, diversify and exploit emerging market opportunities in food and fiber production and in farm and forest-based recreation. Examples of innovative business activities and enterprises include (but are not limited to) on-farm and off-farm value-added food processing, niche product development and marketing, and primary/secondary wood products manufacturing. This program may also assist qualified applicants with the purchase of rural working farm/forest land, as well as help finance environmental or water-quality enhancement projects. *Another important objective of this program is to complement the financial services offered by private capital and credit providers by helping to make rural business “gap” financing both available and affordable.*

This program makes available low-interest loans to qualified applicants for the purchase of land and capital equipment for business activities that were briefly described above. MARBIDCO may provide up to a maximum of 50% of any financing needed for a project under the condition that a commercial lender (and/or a public instrumentality) has at least an equal financial commitment in the project. All loan applications will be developed and submitted to MARBIDCO by commercial bank or Farm Credit Association loan officers (in consultation with borrowers and other rural business advisors). However, MARBIDCO will make and service its own loans. *In terms of collateral security, MARBIDCO would have second lien position to that of the commercial lender in most situations.*

#### **Loan Terms and Conditions**

Maximum Loan Amount:	\$250,000 (\$350,000 if proceeds are to be used for a real estate purchase.)
Equity Requirement:	Typically 10% of a project’s total cost.
MARBIDCO Interest Rate:	2% APR (Fixed rate for max 5 years; higher rate thereafter.)
Loan Origination Fee:	0.5% of loan amount (Paid at closing to MARBIDCO.)
Loan Terms:	Equipment: 5 to 7 years. Land: 10 to 30 years.
Commercial Lender Participation:	Required. MARBIDCO can provide supplemental loan proceeds of up to 100% of amount of the commercial financing. <i>(Illustration: If a bank is willing to loan \$50,000 for a business activity contingent on MARBIDCO’s participation, MARBIDCO may loan up to an additional \$50,000 for such a project.)</i>
Government Financial Participation:	Optional. If a public sector or nonprofit entity is providing a grant towards an eligible project, MARBIDCO’s participation can potentially be increased to 150% of the amount of the commercial financing, provided MARBIDCO’s participation does not exceed the total amount of the combined contribution. <i>(Illustration: A \$250,000 project is slated to receive a county economic development grant of \$30,000 and a bank loan of \$50,000; then a MARBIDCO loan of up to \$75,000 could be provided if project conditions are appropriate.)</i>
Application Submission Process:	All applications must be facilitated by a commercial loan officer or Farm Credit Association representative because of credit underwriting requirements. Cooperative extension agents, county agricultural marketing officials, and other business professionals may assist in the development of applications.
Send Completed Applications to:	MARBIDCO Loan Programs, 1410 Forest Drive, Suite 28, Annapolis, MD 21403

**Application for a Maryland Resource-Based Industry Financing Fund Loan**

**SECTION 1: SPONSORING LENDER INFORMATION**

*(To be completed by sponsoring bank or Farm Credit Association representative.)*

Loan Officer Name \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Mobile Telephone \_\_\_\_\_ Fax Number \_\_\_\_\_

Lending Institution Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**LOAN REQUEST INFORMATION**

Total Amount Requested from MARBIDCO: \_\_\_\_\_ Term Requested: \_\_\_\_\_

Total Amount of financing to be provided by the Sponsoring Lender: \_\_\_\_\_

Bank Terms: \_\_\_\_\_ Interest rate to be charged: \_\_\_ (Fixed or Variable)

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	Monthly Payment
	\$		\$	\$
	\$		\$	\$
	\$		\$	\$
	\$		\$	\$

**CERTIFICATION**

The applicant is current on all existing financial obligations to our institution, and, to my knowledge has not filed for Bankruptcy during last 7 years:

Yes       No

I certify that the above information is accurate to the best of my knowledge.

Loan Officer Signature \_\_\_\_\_ Date \_\_\_\_\_

**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 part-time jobs current \_\_\_\_\_  
# of full-time jobs projected within 36 months \_\_\_\_\_ # of part-time jobs projected within 36 months \_\_\_\_\_

**REQUIRED ATTACHMENTS**

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.  Applicant company or farm operation tax return for the two preceding years.
5.  Applicant company or farm operation income statement, balance sheet, and debt repayment schedule.
6.  A copy of the most recent appraisal, if offering real estate as collateral.

**OTHER 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: APPLICANT INFORMATION**

Business/Farm Name \_\_\_\_\_

Business Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Home Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Social Security# (or Federal ID#) \_\_\_\_\_

**BUSINESS STRUCTURE**

Year & State Established/Incorporated \_\_\_\_\_

Corporation  Partnership  Proprietorship  LLC SIC/NAICS Code \_\_\_\_\_

Type of Business \_\_\_\_\_

**MANAGEMENT/OWNERSHIP**

1-Name \_\_\_\_\_ Social Security # \_\_\_\_\_

Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

Date of Birth \_\_\_\_\_

2-Name \_\_\_\_\_ Social Security # \_\_\_\_\_

Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

Date of Birth \_\_\_\_\_

**PHYSICAL FACILITIES (REAL ESTATE)**

**If Leased**

Annual Rental Expense \_\_\_\_\_ Lease From \_\_\_\_\_

Size(acres) \_\_\_\_\_ Address \_\_\_\_\_

Phone Number of Owner/Leasing Agent \_\_\_\_\_

**If Owned**

Annual Mortgage \_\_\_\_\_ Mortgage Balance \_\_\_\_\_

Term of Mortgage \_\_\_\_\_ Size (acres) \_\_\_\_\_

Type/# of Buildings \_\_\_\_\_ Appraised Value \_\_\_\_\_

**BUSINESS REFERENCES**

**Legal Counsel**

Name \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

**Accountant**

Name \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

**Suppliers (list 2 largest)**

1-Company Name \_\_\_\_\_ Contact Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

2-Company Name \_\_\_\_\_ Contact Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

**Customers (list 2 largest)**

1-Company Name \_\_\_\_\_ Contact Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

2-Company Name \_\_\_\_\_ Contact Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

**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 \_\_\_\_\_

Witness \_\_\_\_\_ Witness \_\_\_\_\_

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 \_\_\_\_\_

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**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) of principal business owner(s) and/or farm manager(s).
  4.  Applicant company or farm operation tax returns for the two preceding years.
  5.  Applicant company or farm operation balance sheet and pro forma income statement (see attached forms).
  6.  If offering real estate as collateral, a copy of the most recent appraisal.
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**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.

Revised 3.26.08

## Balance Sheet

Balance Sheet Date: \_\_\_\_\_

<u>Assets</u>	<u>Liabilities</u>
<b>Current Assets</b>	<b>Current Liabilities</b>
Cash _____	Taxes _____
Accounts Receivable _____	Accounts Payable _____
Notes Receivable _____	Credit Cards (specify) _____
Crops Held for Resale _____	_____
Inventory _____	_____
Other Current Assets _____	_____
<b>Current Assets</b> _____	_____
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 _____	<b>Current Liabilities</b> _____
Farm Land _____	Long Term Liabilities (specify) _____
Acres _____	_____
Acres _____	_____
Acres _____	_____
Forest Land _____	_____
Acres _____	_____
Acres _____	_____
Acres _____	_____
Residence _____	_____
Other Real Estate _____	_____
_____	_____
<b>Non Current Assets</b> _____	<b>Non Current Liabilities</b> _____
_____	<b>Total Liabilities</b> _____
_____	<b>Net Worth</b> _____
<b>Total Assets</b> _____	<b>Total Liabilities &amp; Net Worth</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

#### Income

Sales \_\_\_\_\_  
 Rental Income \_\_\_\_\_  
 Ag Program Payments \_\_\_\_\_  
 Other Income (specify) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
Less Cost of Goods Sold \_\_\_\_\_  
 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
<b>Annual Totals</b>						

### Personal 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>						