



“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: _____

Repayment Method (circle one): monthly quarterly annually

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 _____

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.

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>
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 _____
Total Assets _____	Net Worth _____
_____	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)	_____
_____	_____
_____	_____
_____	_____
_____	_____
<u>Total Farm/Business Expenses</u>	_____
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	_____
_____	_____
_____	_____
<u>Total Other Expenses</u>	_____
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						