

MARBIDCO Alters Several Programs in Light of Funding Reductions

Annapolis, MD (September 1, 2009) ó As a resulting of the continuing national economic recession and the negative impact that this has had on public sector revenue collections, MARBIDCO has experienced a precipitous decline in State funding since the start of this fiscal year (July 1, 2009). This situation has compelled the MARBIDCO Board of Directors to make several adjustments to various program offerings (effective immediately).

For the balance of FY 2010, the following grant incentive programs will no longer be offered: the Maryland Farm and Producer Viability Program, and the Rural Business Energy Efficiency Grant Program. (However, the Rural Business Energy Efficiency Loan Program will continue to be offered, and unsecured õmicro loansö are currently available.) In addition, the maximum grant award under the Local Government Ag/RBI Project Cost Share Program has been lowered from \$12,500 to \$5,000, and the maximum amount of local cost share grants made in a single county has also been capped at \$5,000 (or \$10,000 in a "One Maryland" economically distressed county). Finally, changes have also been made to the Maryland Value Added Producer Grant Program (MVAPG). Previously, the MVAPG was offered at a 20% match of federal funds for successful USDA ó Rural Development program applicants, with a cap on grant funding of \$50,000. The MVAPG Program now offers a 15% matching grant incentive, with a firm cap of \$25,000 (and completed applications are due to received by MARBIDCO no later than November 16, 2009).

With respect to the Corporation's lending programs, the following changes have been instituted: The maximum loan amount in MARBIDCO's õworkhorseö lending program (the Maryland Resource-Based Industry Financing Fund) has been lowered from \$350,000 to \$200,000, and the interest rates in the MRBIFF Program have been raised as follows: 3% APR (for Years 1-3), 4% APR (Years 4-5), and 5.75% APR (Years 6-10). In addition, the minimum interest rate that will be charged for Rural Business Working Capital and Equipment Program loans will rise from 4% to 4.75%.

MARBIDCO regrets having to make these changes, but they serve to help position the Corporation to be able to continue to offer farmers and other rural business owners with affordable capital and credit for business start-up, diversification and expansion projects.