



## **Instructions for the Application for a Rural Business Energy Efficiency Improvement Loan**

### **Program Description**

The Rural Business Energy Efficiency Improvement Loan Fund has been established by MARBIDCO to help agricultural operations and other resource-based businesses to install equipment or make operational improvements that reduce the consumption of energy. Dairy and poultry operations typically use large amounts of electricity and/or propane in their operations, as do other food and fiber processing enterprises. The goal of this program is to help rural businesses to reduce energy consumption while at the same time to increase profitability. This program facilitates the purchase of equipment or technology related to lowering business-related energy consumption by providing below market rate financing assistance. *A copy of an energy audit or an ag energy management plan report (or an energy savings confirmation letter) provided by a qualified third-party energy auditor is required to be submitted with the application, as well as, a simple commercial lender referral.*

Under this program, agricultural and rural businesses may apply for a loan from MARBIDCO to help finance the cost of purchasing and installing equipment or technology related to lowering business-related energy consumption. Loan amounts can range from \$2,500 to \$30,000, with repayment terms tied the anticipated energy savings of the project. Loan amounts cannot exceed the total project cost, less any grant funding that is provided for the project by the State or Federal Governments, EnSave or MARBIDCO. MARBIDCO will make and service these loans on a funds-available basis.

This program potentially offers a grant subsidy to borrowers to help reduce the debt service expense. Borrowers who are in good standing on making their payments will receive a grant of up to 10% of the loan amount (not to exceed \$1,000) of the cost of purchasing and installing equipment or technology related to lowering business-related energy consumption.

### **Loan Terms and Conditions**

Minimum/Maximum Loan Amount:	\$2,500/\$30,000. Loan advances may not exceed the cost of actually making the Improvements minus any grant incentive funding received for a project.
Grant Incentive:	10% of the loan amount (not to exceed \$1,000).
Interest Rate:	4% APR (Fixed rate.)
Loan Origination Fee:	\$75 (Paid at closing to MARBIDCO.)
Borrower credit history:	A credit score of at least 650 and no bankruptcy within the last seven years.
Loan Terms:	Loans will be fully amortized with terms not exceeding the anticipated savings payback period. Loan amortizations will be set between two and seven years.
Debt service coverage ratio:	At least 1.0 - 1.0 ratio on the annual energy savings payback.
Collateral security:	None.
Personal Guarantee:	Required. All loans made to a business entity must be personally guaranteed by the principal owners of the business.
Application Submission Process:	All applications must be originated by the applicant. Applications are processed in the order that they are received.
Send Completed Applications to:	MARBIDCO Loan Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

**SECTION 1: LOAN REQUEST/PROJECT INFORMATION**

Total Amount of Project Cost: \_\_\_\_\_

A. Total Loan Amount Requested: \_\_\_\_\_ Term Requested: \_\_\_\_\_

(Note: The loan terms and repayment amounts established by MARBIDCO will substantially correlate to the estimated energy savings payback from the energy efficiency improvement project.)

B. Amount of grant funding anticipated to be received to help pay for this energy efficiency project:

From EnSave (or MD Energy Administration): \$\_\_\_\_\_

From Federal or other sources: \$\_\_\_\_\_

Itemized Use of Funds:	Amount:
	\$
	\$
	\$
	\$

**BRIEF DESCRIPTION OF PROJECT**

*(Include details on the equipment that will be needed and an estimate of the cost savings that will likely be realized by the project.)*

**THIRD-PARTY ENERGY AUDIT or AG ENERGY MANAGEMENT PLAN REPORT (OR ENERGY SAVINGS CONFIRMATION LETTER) PROVIDER**

*(Note: A copy of an energy audit or ag energy management plan report [or savings confirmation letter] prepared by a qualified third-party must be included with this application.)*

Institution/Firm \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

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

**WHO PAID FOR THE ENERGY AUDIT OR AG ENERGY MANAGEMENT PLAN (OR ENERGY SAVINGS REVIEW) TO BE CONDUCTED?**

Business Owner                       Other Party

**If Other Party, please complete below:**

Institution/Firm \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

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

**PROJECT ADVISOR(S) *(Only if applicable)***

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

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

2-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

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

**SECTION 2: APPLICANT INFORMATION**

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

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

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

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

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

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

**BRIEF DESCRIPTION AND HISTORY OF BUSINESS**

*(Include details of your farm operation, history of the operation, and experience of principal business owners.)*

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

**SECTION 3: BUSINESS INFORMATION**

**BUSINESS STRUCTURE**

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

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

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

**MANAGEMENT/OWNERSHIP**

1-Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Email \_\_\_\_\_

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

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

2- Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Email \_\_\_\_\_

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

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

3- Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Email \_\_\_\_\_

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

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

4- Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Email \_\_\_\_\_

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

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

**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 any financial institution agreeing to participate in the project financing 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.

I/We authorize MARBIDCO to obtain any additional financial information concerning me/us from any source which MARBIDCO reasonably requires in order to determine whether to make the requested loan, including credit histories, credit reports, and credit scores.

**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**

**ATTACHMENT CHECKLIST**

1.  Copy of the energy audit report or ag energy management plan (or energy savings confirmation letter) that relates to this application.
2.  Resume and description of owners and farm operation.

**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.