

MARBIDCO Launches a New Rural Business Energy Efficiency “Micro” Loan Fund

Annapolis, MD (7/10/09).....A 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. This new “micro” loan program is being offered thanks to important financial support provided by the Maryland Energy Administration (MEA). This program is also designed to complement an existing farm energy efficiency incentive program being offered by MEA, the Natural Resources Conservation Service (USDA) and MARBIDCO, in partnership with the Maryland Department of Agriculture, the Maryland RC&D Councils, and the private technical assistance provider EnSave.

“This new micro loan program facilitates the purchase and installation of equipment or technology related to lowering business-related energy consumption by providing timely and below-market-rate financial assistance to agricultural producers and processors,” explains MARBIDCO Executive Director Steve McHenry. “The goal of this program is to help rural businesses to significantly reduce their energy consumption while at the same time helping to increase profitability over the long term.”

Dairy and poultry operations typically use large amounts of electricity or propane in their operations, as do other food and fiber processing enterprises. This program also fits in very well with State and Federal initiatives that are designed to help reduce energy consumption and aid the environment.

Loans available through this program are ideal for smaller energy efficiency projects being undertaken by food and fiber producers and processors that are implementing the recommendations contained in an energy audit report. A copy of a report provided by a qualified third-party energy audit consultant is required to be submitted to MARBIDCO with an application, as well as a referral from commercial lender. The minimum loan amount is \$5,000 and the maximum is \$15,000.

The interest rate charged for these micro loans is just 4% (APR), and the loans are being made on an unsecured basis in order to help keep borrower transaction costs down. Loan advances may not exceed the cost of actually making the improvements minus any grant incentive funding that might be received for a project. A credit score of at least 650 is required of the business owner, with no recent history of bankruptcy. For more information, please contact Kristen Robinson, MARBIDCO Financial Programs Manager, at 410-267-6807, or visit MARBIDCO on the web at: www.marbidco.org.