



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



Application for the Southern Maryland Revolving Loan Fund

Program Description

The Southern Maryland Revolving Loan Fund has been established by the Southern Maryland Agricultural Development Commission (SMADC, a division of the Tri-County Council for Southern Maryland) and the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to help assist Southern Maryland agricultural producers with smaller agricultural projects that typically might not be financed by traditional commercial lenders. This program makes available subsidized low-cost loans to qualified applicants for the purchase of livestock, the production of small fruits, and upgrades for the safe growing, harvesting, packing and holding of produce in conformance with Good Agricultural Practices (GAP) and the Food Safety Modernization Act (FSMA). Under this program, only the activities of agricultural businesses located in the five Southern Maryland counties are eligible for farm business financing (these include: Anne Arundel, Calvert, Charles, Prince George’s, and St. Mary’s Counties).

The loan amounts may range between \$10,000 to \$20,000, with no collateral security pledge required. Only the personal guarantees of all the borrowers will be needed. A major aim of this program is to complement SMADC’s commitment to expand and promote a viable market-driven, sustainable and profitable agricultural community in the Southern Maryland region. In furtherance of this objective, SMDAC has incorporated into this program an incentive for borrowers in good standing by forgiving approximately 20-25% of the loan amount due at the end of the loan term (by foregoing the final one-quarter of amortizing loan payments).

Loan Terms and Conditions

- Minimum/Maximum Loan Amount: \$10,000/\$20,000
- MARBIDCO Interest Rate: 4.50% APR (Fixed rate.)
- Loan Terms: One to four years, with an initial interest-only period (as explained below).
- Loan Origination Fee: None.
- Personal Guarantee: Required. All loans made to a farm business entity must be personally guaranteed by the owners. *(Note: The minimum eligible credit score is 620.)*
- Application Submission Process: All applications must be originated by the applicant (although agricultural service professionals may assist in the development of applications). Applications are processed as they are received.
- Send Completed Applications to: MARBIDCO Loan Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

Eligible Loan Uses

- A. Livestock Foundation Development** – The objective is to encourage the purchasing of livestock and/or to enhance existing livestock herds/flocks with the aim of supporting a robust meat production industry in Southern Maryland.

Part 1: Livestock – Loan Terms

There will be an Interest-Only (IO) period before the amortizing repayment begins (meaning both principal and interest is paid) to allow a reasonable period of time for the animals to be ‘finished’ (to their harvesting weight) and sold.

(continued on next page)

<u>Species</u>	<u>Interest-Only Period</u>
Beef	18 months
Pigs	9 months
Goats/Lambs	12 months
Poultry/Rabbits	3 months
Turkeys	6 months

Part 2: Livestock – Additional Eligible Uses

Up to 12 months of IO Payments may be authorized for the following Part 2 livestock-related activities before amortizing payments would be due under a repayment schedule to be developed by MARBIDCO on a case-by-case basis (but not longer than 48 months maximum, based upon the useful life of the assets being financed).

- Bull/beef Semen and Artificial Insemination (AI) – To improve existing herd genetics. May be administered by livestock producers with AI Certification, or may be professionally administered by a Certified AI technician and/or veterinarian.
- Meat locker (refrigeration) facilities
- Fencing
- Animal Shelters

Livestock – Ineligible Uses

- Motorized vehicles, including tractors

B. Small Fruits – The objective is to incubate the production of small fruits and increase acreage of existing small fruit enterprises in Southern Maryland. Up to 12 months of IO Payments may be authorized before amortizing payments would be due under a repayment schedule to be developed by MARBIDCO on a case-by-case basis (but not longer than 48 months at a maximum, based upon the useful life of the assets and the potential revenue generation to support debt service).

Small Fruits – Eligible Uses

- Small fruits include perennial, vine and root stock for blueberries, raspberries and blackberries.
- Trellising/netting

C. Good Agricultural Practices (GAP) and Food Safety Upgrades – The objective is to assist farms with upgrades for the safe growing, harvesting, packing and holding of produce in line with Good Agricultural Practices (GAP), and as applicable, compliance with the Food Safety Modernization Act (FSMA) produce safety rules. These improvements can be costly and may be a financial hardship for some farmers. However, these improvements have the potential to increase the marketability of farm products to retail, wholesale and institutional buyers and distributors. Up to 12 months of IO Payments may be authorized before amortizing payments would be due under a repayment schedule to be developed by MARBIDCO on a case-by-case basis (but not longer than 48 months maximum, based upon the useful life of the assets being financed).

GAP and Food Safety Upgrades – Eligible Uses

Water:

- Install drip irrigation
- Water treatment for potable water (packing houses) – UV irrigation water treatment
- Change from surface water to ground water – irrigation wells

Compost Manure:

- Compost Turner
- Compost Structure to prevent run off/contamination of crops

Harvest:

- Crates that can be sanitized
- Packing baskets that can be sanitized
- Handwashing stations for field

Packing House:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Enclose structure • Nonporous flooring • Equipment (graders/packers, cleanable belts, peracetic acid injection and monitoring system, etc.) | <ul style="list-style-type: none"> • Walk-in cooler • Non-wood pallets • Handwashing stations • Traceback software |
|---|--|

SECTION 1: APPLICANT INFORMATION

Business/Farm Name _____

Business Address _____ County _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ E-mail _____

Home Telephone _____ Mobile Phone _____

LOAN REQUEST INFORMATION

Total Amount Requested from MARBIDCO: _____ **Term Requested:** _____

Repayment Method: quarterly

Use of Funds	Amount
	\$
	\$
	\$
	\$
	\$

Other Sources of Equity and/or Matching Funds:

Source	Amount
	\$
	\$
Total	\$

BUSINESS STRUCTURE

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship LLC SIC/NAICS Code _____

FARM PROPERTY INFORMATION

If different from Business address, please identify the Farm Property address below:

Farm Address _____ County _____

City _____ State _____ Zip Code _____

(continued on the next page)

FARM PROPERTY INFORMATION:

Is the farm property a working farm today? Yes No

Do you (the borrower) own the farm (individually or with family members)? Yes No

Do you (the borrower) lease the farm? Yes No

If "yes, please describe the lease terms: _____

Please describe the land uses on the farm (*round to whole numbers*):

Tillable Cropland: _____ acres

Pasture: _____ acres

Woodland: _____ acres

Wetland(s): _____ acres

Orchard, Nursery: _____ acres

Structure(s): _____ acres
(Farm buildings and dwellings)

Pond/lake: _____ acres

Other: _____ acres
(Describe other land use)

TOTAL FARM ACRES: _____ **acres**

BRIEF DESCRIPTION OF THE FARM OPERATION AS IT EXISTS TODAY:

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 NEW full-time jobs projected within 36 months _____

of part-time jobs current _____ # of NEW part-time jobs projected within 36 months _____

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: 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 _____

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 _____

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 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.

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

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) or working history of principal business owner(s) and/or farm manager(s).
4. Applicant and farm operation tax returns for the two preceding years (if available).
5. Completed Balance Sheet (attachment 1).
6. Completed Income Statement for the past year (attachment 2a).
7. Completed Pro Forma Income Statement – *for Current Year to Year 3* (attachment 2b).
8. Completed Debt Repayment Schedule (attachment 3).

Have questions? Please contact a MARBIDCO Financial Programs Officer at 410-267-6807.

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.

Balance Sheet

Balance Sheet Date: _____

Assets

Liabilities

Current Assets

Current Liabilities

Cash _____
 Accounts Receivable _____
 Notes Receivable _____

Accounts Payable _____
 Credit Cards (specify): _____

Crops Held for Resale _____
 Inventory _____
 Savings Account _____
 Other Current Assets _____

Notes Payable (specify): _____

Current Assets

Other Liabilities _____

Current Liabilities

Automobile/Trucks/Boats _____
 Machinery & Equipment _____
 Shops & Supplies _____
 Dairy Livestock _____
 Other Breeding Livestock _____

Current Portion of Long Term Debt* _____

IRA/401K Retirement Accts _____
 Farm Land _____

Mortgages (specify) _____

Acres _____

Car Loans (specify) _____

Acres _____

Acres _____

Forest Land _____

Acres _____

Other long-term Loans (specify) _____

Acres _____

Acres _____

Residence _____

Other Real Estate (specify) _____

Non Current Liabilities

Non Current Assets

Total Liabilities _____

Total Assets _____

Total Liabilities _____

**Current portion of long term debt represents the total amount of long-term debt that must be paid within the next year.*

Income Statement

(Revenue and expense for the **Past Year**)
Date: _____

Farm/Business Income and Expenses

Other Income and Expenses

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Ag Program Payments	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Goods Sold	_____
Gross Farm/Business Income	_____

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses	
Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Salaries & Wages	_____
Labor Hired	_____
Custom Hire/Consultants	_____
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	_____

Expenses	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
Total Other Expenses	_____
Net Other Income	_____

Pro Forma Income Statement

(Revenue and expense projections for the **Current Year**)

Date: _____

Farm/Business Income and Expenses

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Ag Program Payments	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Goods Sold	_____
Gross Farm/Business Income	_____

Other Income and Expenses

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses	
Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Salaries & Wages	_____
Labor Hired	_____
Custom Hire/Consultants	_____
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	_____

Expenses	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
Total Other Expenses	_____
Net Other Income	_____

Pro Forma Income Statement

(Revenue and expense projections for **Year 1**)

Date: _____

Farm/Business Income and Expenses

Other Income and Expenses

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Ag Program Payments	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Goods Sold	_____
Gross Farm/Business Income	_____

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses	
Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Salaries & Wages	_____
Labor Hired	_____
Custom Hire/Consultants	_____
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	_____

Expenses	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
Total Other Expenses	_____
Net Other Income	_____

Pro Forma Income Statement

(Revenue and expense projections for **Year 2**)
Date: _____

Farm/Business Income and Expenses

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Ag Program Payments	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Goods Sold	_____
Gross Farm/Business Income	_____

Other Income and Expenses

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses	
Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Salaries & Wages	_____
Labor Hired	_____
Custom Hire/Consultants	_____
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	_____

Expenses	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
Total Other Expenses	_____
Net Other Income	_____

Pro Forma Income Statement

(Revenue and expense projections for **Year 3**)

Date: _____

Farm/Business Income and Expenses

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Ag Program Payments	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Goods Sold	_____
Gross Farm/Business Income	_____

Other Income and Expenses

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Non Farm Rental	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
Gross Other Income	_____

Expenses	
Advertising	_____
Car & Truck Expenses	_____
Chemicals	_____
Salaries & Wages	_____
Labor Hired	_____
Custom Hire/Consultants	_____
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	_____

Expenses	
Social Security Withholding	_____
Self-Employment Taxes	_____
Income Taxes (State & Federal)	_____
Alimony/Child Support	_____
Other Expenses (specify)	_____
_____	_____
_____	_____
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
Annual Totals						

Personal Debt Repayment Schedule

(including any car loans)

Date: _____

Lender and Loan Number	Original Amount	Date Incurred	Interest Rate	Payments Per Year	Amount of Periodic Payment	Loan Balance
Annual Totals						