

### Application for Maryland Resource-Based Industry Financing Fund (MRBIFF)-Direct Lending <u>Program</u>

#### **Program Description**

The Maryland Resource-Based Industry Financing Fund (MRBIFF) was 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 resourcebased 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 improvement or renewable energy 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 affordable loans to qualified applicants for the purchase of land and capital equipment for eligible food/feed/fiber/fuel business activities. MARBIDCO may provide financing in the range of 20% (minimum) to 40% (maximum) of the financing needed to fund a project under the condition that a commercial lender (and/or a public instrumentality) has an equal or greater financial commitment in the project; with a possibility of a 50/50 participation under extraordinary circumstances. All loan applications will be developed and submitted to MARBIDCO by commercial bank or Farm Credit Association loan officers (possibly in consultation with other rural business advisors). However, MARBIDCO will make and service its own loans. *With respect to collateral security, MARBIDCO will generally take a subordinate lien position to that of the bank.* 

#### Loan Terms and Conditions

Maximum Loan Amount:	\$300,000 for acquisition of equipment and fixed assets. \$600,000 for real estate purchases and renewable energy projects. \$1,000,000 for large-scale food/fiber processing projects (but not more than 25%).	
Equity Requirement:	Typically, 10% of a project's total cost (can be less for young/ beginning farmers; poultry projects may not exceed a maximum combined loan-to-value of 92%).	
MARBIDCO Interest Rate:	4.75% for the first 3 years, 5.25% for the next three years and 5.75% for the remaining term of the loan.	
Loan Origination Fee:	1% of the loan amount.	
Loan Terms:	Equipment: 5 to 7 years. Land: 10 to 30 years (typically with a 10-year balloon	
Commercial Lender Participation: Required. MARBIDCO can provide supplemental loan proceeds within a range of 20% to 40% of the total commercial financing needed, working		

	with a commercial bank and/or public sector lender. (Illustration: If a bank is willing to loan \$60,000 for a \$100,000 business activity contingent on MARBIDCO's participation, MARBIDCO may loan up to an additional \$40,000 for such a project.) A 50/50 participation is possible under extraordinary circumstances.
Personal Guarantee:	Required. Owners of business entities (e.g., a LLC) must also provide guarantees.
Application Submission Process:	All applications must be facilitated by a commercial loan officer or Farm Credit Association representative. Cooperative extension agents, county agricultural marketing officials, and other State or small business development professionals may also provide assistance in the development of applications.

Send Completed Applications to: MARBIDCO Loan Programs, c/o Brian Cadden, bcadden@marbidco.org or mail to 1410 Forest Drive, Suite 21, Annapolis, MD 21403

### How did you hear about this MARBIDCO financial program? Please check a box below:

Search Engine (Google, Bing, etc.)
Social Media
Recommended by a Friend
Event table
MARBIDCO Newsletter
Advertisement, where:
Referred by:
Maryland Dept. of Agriculture
Maryland Dept. of Commerce
County Agricultural or Econ. Development Office
UMD Extension
Commercial Bank or Farm Credit
Other:

#### SECTION 1: SPONSORING LENDER INFORMATION

#### (To be completed by sponsoring bank or Farm Credit Association representative.)

Title	2
E-mail	
Fax Number	
City	/
State	Zip Code
	Term Requested:
annually	
e Sponsoring Lender:	
Interest rate to be char	rged:(Fixed or Variable)
	Amount
	\$
	\$
	\$
	E-mail Fax Number City StateCity annually e Sponsoring Lender: _Interest rate to be chan

#### **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	Lien Amount
	\$		\$
	\$		\$
	\$		\$
	\$		\$

#### 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.)

- □ Commodity Agricultural Production
- □ Value-Added Food Processing
- □ Agri-Tourism/Rural Recreation
- □ Timber Growing or Harvesting
- □ Primary/Secondary Wood Processing

- □ Biomass/Energy Production
- □ Vegetable/Niche Market Production
- □ Aquaculture/Fishing/Seafood
- □ Environmental/Water Quality
- 🗆 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 \_\_\_\_\_\_

#### **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		County
City	State	Zip Code
Contact Person	T	itle
Work Telephone	E-mail	
Home Telephone	Mobile Phone	
<b>BUSINESS STRUCTURE</b>		
Year & State Established/Incor	porated	
□ Corporation □ Partnership	□ Proprietorship □ LLC NAICS Co	de
MANAGEMENT/OWNERSHIP		
<b>1</b> -Name	Title	% Ownership
Social Security #	Date of Birth	Email
Address	City_	
State Zip Code	Telephone	
<b>2</b> - Name	Title	% Ownership
Social Security #	Date of Birth	Email
Address	City_	
State Zip Code	Telephone	
<b>3</b> - Name	Title	% Ownership
Social Security #	Date of Birth	Email
Address	City_	
State Zip Code	Telephone	
<b>4-</b> Name	Title	% Ownership
Social Security #	Date of Birth	Email
Address	City_	
State Zip Code	Telephone	

1. Are you a U.S. military ve	teran who has red	<b>terest Rate Reduction Incentive)</b> ceived an "Honorable" or "General (Un duty military personnel currently serv NO		
2. Do you have at least 50% operation?	ownership and n YES	nanagement control of the agribusines NO	s and/or farm	ing
commanding officer or desi	gnated represent	e evidence, either by providing a letter ative attesting to your characterizatior D-214, to receive the Home Town Hero	n of service, O	R by
PHYSICAL FACILITIES (RE	AL ESTATE)			
If Owned Annual Mortgage Payment		Term of Mortgage		
Mortgage Balance		Appraised Value		
Size(acres) T	illable Acres	Number of Parcels	Irrigated?	
Type/# of Buildings				
If Leased				
Annual Rental Expense		Lease From		
Size(acres) Loca	tion			
Phone Number of Owner/L	easing Agent			
<b>DECLARATIONS</b> If answering "yes" to any of the	se questions, please	provide an explanation on a separate sheet	and attach.	
		ersonnel an endorser, guarantor its/their financial statements?	Yes	No
2. Is the business or any of the	e top management p	personnel a party to any claim or lawsuit?	Yes	No
3. Has the business or any of t	he top management	personnel ever declared bankruptcy?	Yes	No
4. Does the business or any of	the management pe	ersonnel owe any taxes for prior years?	Yes	No
5. Have any managers or owne	ers received a felon	y conviction?	Yes	No
2. $\square$ Business plan for the p	y of the applicant roject to receive f	6		
3. $\Box$ Resume(s) or working	history of princip	al business owner(s) and/or farm mar	nager(s).	

- 4. □ Applicant *and* farm operation tax returns for the two preceding years.
- 5.  $\Box$  Completed Balance Sheet (attachment 1).
- 6. Completed Income Statement for the past 2 years (attachment 2a).
- 7. 
  Completed Pro Forma Income Statement (attachment 2b).
- 8. 
  Completed Debt Repayment Schedule (attachment 3).
- 9.  $\Box$  If offering real estate as collateral, a copy of the most recent appraisal.

10.  $\Box$  If eligible for Home Town hero veteran status, supporting letter from commanding officers or federal form DD-214.

#### **SECTION 5: 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 any 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	
Date	Date
Signature	Signature
Printed Name	Printed Name
Date	Date

**Note:** MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 4 of the General Provisions 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:

#### <u>Assets</u>

#### <u>Liabilities</u>

<b>Current Assets</b>	Current Liabilities
Cash	Accounts Payable
Accounts Receivable	Cradit Carda (anagifu).
Notes Receivable	
Crops Held for Resale	
Inventory	
Savings Account	Notes Payable (specify):
Other Current Assets	
Current Assets	
	Other Liabilities
Automobile/Trucks/Boats	Current Liabilities
Machinery & Equipment	
Shops & Supplies	Current Portion of Long Term Debt*
Dairy Livestock	
Other Breeding Livestock	
IRA/401K Retirement Accts	Mortgages (specify)
Farm Land	
Acres	
Acres	Car Loans (specify)
Acres	
Forest Land	
Acres	
Acres	Other long-term Loans (specify)
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 2 years) Date: \_\_\_\_\_

### Farm/Business Income and ExpensesOther Income and Expenses

Income	Income
Sales of:	Salaries & Wages
Less Cost of Goods Sold	Gross Other Income
Gross Farm/Business Income	
Expenses	Expenses
AdvertisingCar & Truck ExpensesChemicalsSalaries & WagesLabor HiredCustom Hire/ConsultantsFeed PurchasedFertilizerFreight, TruckingGasoline, Fuel, OilInsuranceRent of Machinery & EquipRent of Farm, PastureRepairs, MaintenanceSeeds, Plants PurchasedStorage, WarehousingUtilitiesVeterinary, Medicine, BreedingMiscellaneous Expenses (specify)	Social Security Withholding   Self-Employment Taxes   Income Taxes (State & Federal)   Alimony/Child Support   Other Expenses (specify)

Net Farm/Business Income

\_\_\_

\_\_\_\_

\_\_\_

### Income Statement (Revenue and expense for the past two years) Date: \_\_\_\_\_

### Farm/Business Income and ExpensesOther Income and Expenses

Income	Income			
Sales of: 	Salaries & WagesInterest & DividendsNon Farm RentalPension/Social SecurityAlimony/Child SupportOther Income (specify)			
Less Cost of Goods Sold	Gross Other Income			
Gross Farm/Business Income				
Expenses	Expenses			
Advertising	Social Security Withholding			
Total Farm/Business Expenses				

Net Farm/Business Income

\_\_\_\_

## Pro Forma Income Statement

(Revenue and expense projections for the <u>upcoming</u> year)

Date: \_\_\_\_\_

## Farm/Business Income and ExpensesOther Income and Expenses

Income	Income			
Sales of:       Sales of:	Salaries & Wages Interest & Dividends Non Farm Rental Pension/Social Security Alimony/Child Support Other Income (specify)			
Less Cost of Goods Sold Gross Farm/Business Income	Gross Other Income			
Expenses	Expenses			
Advertising	Social Security Withholding         Self-Employment Taxes         Income Taxes (State & Federal)         Alimony/Child Support         Other Expenses (specify)			
Total Farm/Business Expenses				
Net Farm/Business Income				

## Farm or Business Debt Repayment Schedule

Date: \_\_\_\_\_

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

## Personal Debt Repayment Schedule

(including car loans) Date: \_\_\_\_\_

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