



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

### **Application for Maryland Resource-Based Industry Financing Fund Loan**

#### **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 resource-based 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 25% (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 other rural business advisors). However, MARBIDCO will make and service its own loans. *With respect to the collateral security, MARBIDCO will generally take a subordinate lien position to that of the bank.*

#### **Loan Terms and Conditions**

Maximum Loan Amount:	\$250,000 for acquisition of equipment and fixed assets (and all poultry projects). \$450,000 for real estate purchases (non-poultry) and renewable energy projects. \$650,000 for large-scale food/fiber processing projects (of \$2.5 million and up).
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:	3.25% APR for the first 3 years, 4.5% APR for the next three years and 5.75% for the remaining term of the loan.
Loan Origination Fee:	1% of MARBIDCO loan amount (paid at closing to MARBIDCO).
Loan Terms:	Equipment: 5 to 7 years. Land: 10 to 30 years (typically with a 10-yr balloon).
Commercial Lender Participation:	Required. MARBIDCO can provide supplemental loan proceeds within a range of 25% to 40% of the total commercial financing needed, working with a commercial bank and/or public sector lender. <b><i>(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.)</i></b> 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, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

**SECTION 1: SPONSORING LENDER INFORMATION**

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

Loan Officer Name \_\_\_\_\_ Title \_\_\_\_\_

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

Mobile Telephone \_\_\_\_\_ Fax Number \_\_\_\_\_

Lending Institution Name \_\_\_\_\_

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

County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**LOAN REQUEST INFORMATION**

**Total Amount Requested from MARBIDCO:** \_\_\_\_\_ **Term Requested:** \_\_\_\_\_

**Repayment Method (circle one):** monthly      quarterly      annually

**Total Amount of financing to be provided by the Sponsoring Lender:** \_\_\_\_\_

**Bank Terms:** \_\_\_\_\_ **Interest rate to be charged:** \_\_\_\_\_ (Fixed or Variable)

Use of Funds	Amount
	\$
	\$
	\$

**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 \_\_\_\_\_ Title \_\_\_\_\_

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

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

**BUSINESS STRUCTURE**

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

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

**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: 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.
- 5.  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.  If offering real estate as collateral, a copy of the most recent appraisal.

**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 \_\_\_\_\_ 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 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: \_\_\_\_\_

<u><b>Assets</b></u>	<u><b>Liabilities</b></u>
<b>Current Assets</b>	<b>Current Liabilities</b>
Cash _____	Accounts Payable _____
Accounts Receivable _____	Credit Cards (specify): _____
Notes Receivable _____	_____
_____	_____
Crops Held for Resale _____	_____
Inventory _____	_____
Savings Account _____	Notes Payable (specify): _____
Other Current Assets _____	_____
<b>Current Assets</b>	_____
Automobile/Trucks/Boats _____	Other Liabilities _____
Machinery & Equipment _____	<b>Current Liabilities</b>
Shops & Supplies _____	_____
Dairy Livestock _____	Current Portion of Long Term Debt* _____
Other Breeding Livestock _____	_____
IRA/401K Retirement Accts _____	Mortgages (specify) _____
Farm Land _____	_____
Acres _____	_____
Acres _____	Car Loans (specify) _____
Acres _____	_____
Forest Land _____	_____
Acres _____	Other long-term Loans (specify) _____
Acres _____	_____
Acres _____	_____
Residence _____	_____
Other Real Estate (specify) _____	_____
_____	<b>Non Current Liabilities</b>
<b>Non Current Assets</b>	<b>Total Liabilities</b>
_____	_____
<b>Total Assets</b>	<b>Total Liabilities</b>
_____	_____

*\*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 Expenses

### Other Income and Expenses

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

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

<b>Expenses</b>	
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)	_____
_____	_____
_____	_____
_____	_____
<b>Total Farm/Business Expenses</b>	_____

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

**Net Farm/Business Income** \_\_\_\_\_



## Income Statement

(Revenue and expense for the past two years)  
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	_____
<b>Gross Farm/Business Income</b>	_____

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

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)	
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total Farm/Business Expenses</b>	_____
<b>Net Farm/Business Income</b>	_____

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

## Pro Forma Income Statement

(Revenue and expense projections for the upcoming year)  
Date: \_\_\_\_\_

### Farm/Business Income and Expenses

### Other Income and Expenses

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

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

<b>Expenses</b>	
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)	_____
_____	_____
_____	_____
_____	_____
<b>Total Farm/Business Expenses</b>	_____
<b>Net Farm/Business Income</b>	_____

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

### 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
<b>Annual Totals</b>						

### Personal Debt Repayment Schedule

(including car loans)

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

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