



## **Application for Maryland Remote Setting Shellfish Aquaculture Financing**

Increased production of shellfish in the Chesapeake and coastal Bays of Maryland will be a key to expanding the regional seafood industry and assisting with improving estuarine water quality. The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) is partnering with the Maryland Department of Natural Resources (DNR) and industry organizations to make affordable, subsidized loan financing available to commercial watermen wishing to start or expand shellfish remote setting aquaculture operations.

Remote setting is a process for growers to produce cost-effective seed oysters for aquaculture. The grower purchases larvae from a hatchery and places it in a tank containing cultch for the larvae to set on. Larvae are circulated through the tank to keep them in suspension while they cement themselves to the cultch and begin growing as spat. Spat on shell setting systems consist of a tank, pump, piping and valves, and a blower to provide low pressure air to circulate larvae during setting. A heater may be required during early or late season setting. Cultchless setting systems are smaller and contain microchips, or small ground shell pieces, and are used to produce seed for contained aquaculture systems such as cages or floats. These are operated as downweller systems and require a pump, piping and valves, and blower. Information on setting system design and operation, as well as training in their use and business planning assistance, is available from University of Maryland Extension.

**All applications to the Maryland Remote Setting Shellfish Aquaculture Financing Fund (including any required attachments) should be submitted as soon as completed as loans will be processed in the order they are received.** Additional information about the shellfish remote setting aquaculture financing program is provided below. A project financing submission checklist is included at the end of the application form which should be reviewed carefully.

***Eligible expenses:*** Items related to commercial remote setting aquaculture projects, with approved business plans, to raise oysters or clams in Maryland including the following equipment items: seed (larvae), shell (substrate), tanks, pumps, blowers, valves and tank heaters.

***Minimum/maximum loan amounts:*** \$5,000 to \$30,000.

***Loan Terms:*** \$5,000 - \$15,000–5 Years; and \$15,001 - \$30,000–6 Years (with the first year interest-only).

***Loan interest rate:*** 5% APR

***Loan application fee:*** None.

***Basic eligibility requirements:*** There are three basic requirements to be eligible to receive funding under this program: 1) An applicant must either hold an aquaculture nursery permit from DNR currently, or have applied for such a nursery permit; 2) An applicant must demonstrate that the proposed shellfish remote setting aquaculture production will within the year; and 3) At least one of the applicants must be a commercial waterman who holds a tidal fisheries license (TFL), AND preference will be given to applicants that have paid an oyster surcharge at least once in the last five years.

***Borrower equity:*** At least 10% of loan amount (as a cash contribution used to implement the aquaculture remote setting business project).

***Borrower credit history:*** A credit bureau score of at least 620 and no bankruptcy within the last seven years. For borrowers with credit scores of less than 620, a qualifying loan co-signer will be required. Personal guarantees from the principal business owners will also be required. Other guarantees may be required.

***Loan repayment assistance:*** This program potentially offers a substantial loan subsidy to borrowers to help reduce the debt service expense for starting or expanding a commercial shellfish aquaculture operation. Loan terms will normally be for either five or six years, and all borrowers will be required to make loan repayments on a quarterly basis. During the first year of the term of the loan agreement, only modest interest-only payments would be required; thereafter, regular amortizing loan payments would be due with the final year of loan repayments forgiven for borrowers who are in good standing on making their payments and implementing their production plans. This will effectively result in a grant to the borrower of between 22% and 27% of the principal amount of the loan. *NOTE: Borrowers who are not in good standing would not receive the partial loan forgiveness and will be obligated to repay the entire amount of the original loan.*

***Collateral security:*** These loans do not require traditional collateral security. Instead, borrowers will be required to post 15% cash collateral as partial security for loan repayment. The cash collateral can be brought to settlement or financed on an interest-only basis at 5% (APR) as part of the loan closing process. Borrowers who provide the cash collateral from their own resources will have those funds returned to them later upon satisfactory repayment of the loan obligation.

***Project feasibility and financing request approval:*** The goal of this program is to help fund applications that have the best chance of success in terms of financial viability and getting juvenile shellfish to market. A Shellfish Aquaculture Financing Committee will evaluate the credit-worthiness of the prospective borrower(s), as well as the viability of the proposed project production and business plan (including the financial projections) that are required to be submitted with the application for financial assistance. The Committee consists of knowledgeable representatives from the Maryland Department of Natural Resources, the University of Maryland, Mid Atlantic Farm Credit and MARBIDCO. Projects with insufficient production and business plans and future projections of positive cash flows will not be approved, however these may be revised and re-submitted in the future.

***Send a completed and signed original application form, including all the required attachments to:***

**MARBIDCO Loan Programs Office  
1410 Forest Drive, Suite 21  
Annapolis, MD 21403**

**SECTION 1: APPLICANT INFORMATION**

Business/Individual Name \_\_\_\_\_

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

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

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

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

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

**REMOTE SETTING SHELLFISH AQUACULTURE LOAN REQUEST INFORMATION**

**Please Check That Which Applies:**

\_\_\_\_ Applicant holds and aquaculture nursery permit from DNR currently

\_\_\_\_ Applicant has applied for an aquaculture nursery permit from DNR on \_\_\_\_\_ [date]

**Total Amount of Funds Requested: \$ \_\_\_\_\_ Term Requested: \_\_\_\_\_ years**

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

**Sources of Borrower Equity (or Cash) to Help Pay for the Project:**

Source	Amount
	\$
	\$
Total	\$

**Production Assets:**

*(List major shellfish production assets that are currently owned by you including workboats, upwellers, etc.)*

Production Assets	Est. Value	Lien Holders (bank. etc.)	Amount Owed
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$

**BUSINESS STRUCTURE**

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

Corporation  Partnership  Proprietorship  Agricultural Cooperative  LLC

**SECTION 2: PROJECT INFORMATION**

**BRIEF DESCRIPTION OF PROJECT**

*In addition to briefly describing your project, please be sure to demonstrate that the proposed shellfish remote setting aquaculture production will begin within the year. Also, please include specific information about what will be purchased with these funds.*

**EMPLOYMENT DATA RELATED TO THE AQUACULTURE BUSINESS**

# 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 \_\_\_\_\_

Tidal Fisheries License Number \_\_\_\_\_ Date of the most recent oyster surcharge paid: \_\_\_\_\_

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

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

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

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

Tidal Fisheries License Number \_\_\_\_\_ Date of the most recent oyster surcharge paid: \_\_\_\_\_

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

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

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

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

Tidal Fisheries License Number \_\_\_\_\_ Date of the most recent oyster surcharge paid: \_\_\_\_\_

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

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

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

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

Tidal Fisheries License Number \_\_\_\_\_ Date of the most recent oyster surcharge paid: \_\_\_\_\_

(Please attach additional sheets if necessary)

**LAND-BASED FACILITIES (if any)**

**If Owned**

Size(acres) \_\_\_\_\_ Location \_\_\_\_\_

**If Leased**

Size(acres) \_\_\_\_\_ Location \_\_\_\_\_

Type and # of buildings/structures \_\_\_\_\_

**DECLARATIONS**

*If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.  
(Note: Answering "yes" to any question is not necessarily disqualifying.)*

- 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
- 6. Have any managers or owners received a natural resources violation?  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 MARBIDCO or the State of Maryland.

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 that MARBIDCO and its 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 CHECKLIST**

### **PLEASE REVIEW THIS CAREFULLY TO MAKE SURE THE FOLLOWING INFORMATION IS INCLUDED WITH YOUR SUBMISSION**

1.  Description and history of the applicant individual or company.
2.  A copy of the DNR Aquaculture Nursery Permit (if applicable).
3.  Production and business plan for the project to receive financing (including 3 years of financial projections).
4.  Applicant *and* business operation tax return(s) for the preceding year (please include all schedules).
5.  Completed Balance Sheet (attachment 1).
6.  Completed Pro Forma Income Statement (attachment 2 which is 4 pages).
7.  Completed Debt Repayment Schedule (attachment 3).
8.  A signed original application and all attachments.

**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

(Please fill out a separate balance sheet for each guarantor and the business, when applicable.)

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 _____	_____
Savings Accounts _____	_____
Seed Oysters _____	Notes Payable (specify): _____
Bushels (or yds) of Shell _____	_____
Other Current Assets _____	_____
<b>Current Assets</b> _____	Other Liabilities _____
Commercial Workboat _____	<b>Current Liabilities</b> _____
Automobiles and Trucks _____	Current Portion of Long Term Debt* _____
Machinery & Equipment _____	_____
Shops & Supplies _____	Mortgages (specify) _____
Other _____	_____
IRA/401K Retirement Accts _____	_____
Waterfront Land _____	_____
Acres _____	_____
Farm Land _____	_____
Acres _____	_____
Acres _____	Car & Workboat Loans (specify) _____
Forest Land _____	_____
Acres _____	Other long-term Loans (specify) _____
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.

## Pro Forma Income Statement

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

**Business Income and Expenses**

Income	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Fishing Income	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Spat & Shell	_____
<b>Gross Business Income</b>	_____

Expenses	
Advertising	_____
Workboat Expenses	_____
Car/Truck Expenses	_____
Salaries & Wages	_____
Labor Hired	_____
Consultants	_____
Consumable equipment	_____
Repairs, Maintenance	_____
Freight, Trucking	_____
Gasoline, Fuel, Oil	_____
Insurance	_____
Rent of Machinery & Equip	_____
Rent of Farm, Pasture	_____
Storage, Warehousing	_____
Utilities	_____
Miscellaneous Expenses (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total Business Expenses</b>	_____
<b>Net Business Income</b>	_____

**Other/Personal Income and Expenses**

Income	
Salaries & Wages	_____
Interest & Dividends	_____
Rentals	_____
Pension/Social Security	_____
Alimony/Child Support	_____
Other Income (specify)	_____
_____	_____
_____	_____
<b>Gross Other 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 **Year 1** of the project)

**Business Income and Expenses**

<b>Income</b>	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Fishing Income	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Spat & Shell	_____
<b>Gross Business Income</b>	_____

<b>Expenses</b>	
Advertising	_____
Workboat Expenses	_____
Car/Truck Expenses	_____
Salaries & Wages	_____
Labor Hired	_____
Consultants	_____
Consumable equipment	_____
Repairs, Maintenance	_____
Freight, Trucking	_____
Gasoline, Fuel, Oil	_____
Insurance	_____
Rent of Machinery & Equip	_____
Rent of Farm, Pasture	_____
Storage, Warehousing	_____
Utilities	_____
Miscellaneous Expenses (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total Business Expenses</b>	_____
<b>Net Business Income</b>	_____

**Other/Personal Income and Expenses**

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

## Pro Forma Income Statement

(Revenue and expense projections for **Year 2** of the project)

**Business Income and Expenses**

<b>Income</b>	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Fishing Income	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Spat & Shell	_____
<b>Gross Business Income</b>	_____

<b>Expenses</b>	
Advertising	_____
Workboat Expenses	_____
Car/Truck Expenses	_____
Salaries & Wages	_____
Labor Hired	_____
Consultants	_____
Consumable equipment	_____
Repairs, Maintenance	_____
Freight, Trucking	_____
Gasoline, Fuel, Oil	_____
Insurance	_____
Rent of Machinery & Equip	_____
Rent of Farm, Pasture	_____
Storage, Warehousing	_____
Utilities	_____
Miscellaneous Expenses (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total Business Expenses</b>	_____
<b>Net Business Income</b>	_____

**Other/Personal Income and Expenses**

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

## Pro Forma Income Statement

(Revenue and expense projections for **Year 3** of the project)

**Business Income and Expenses**

<b>Income</b>	
Sales of:	
_____	_____
_____	_____
_____	_____
Rental Income	_____
Fishing Income	_____
Other Income (specify)	_____
_____	_____
_____	_____
Less Cost of Spat & Shell	_____
<b>Gross Business Income</b>	_____

<b>Expenses</b>	
Advertising	_____
Workboat Expenses	_____
Car/Truck Expenses	_____
Salaries & Wages	_____
Labor Hired	_____
Consultants	_____
Consumable equipment	_____
Repairs, Maintenance	_____
Freight, Trucking	_____
Gasoline, Fuel, Oil	_____
Insurance	_____
Rent of Machinery & Equip	_____
Rent of Farm, Pasture	_____
Storage, Warehousing	_____
Utilities	_____
Miscellaneous Expenses (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total Business Expenses</b>	_____
<b>Net Business Income</b>	_____

**Other/Personal Income and Expenses**

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

### 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>						