



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

Application for the Rural Business Equipment and Working Capital Loan Fund

Program Description

The Rural Business Equipment and Working Capital Loan Fund has been established by MARBIDCO to help meet the unique financing needs of Maryland’s rural businesses that are not otherwise able to obtain commercial financing for working capital and equipment purchases from traditional commercial lenders (e.g., banks or Farm Credit Associations). This program makes available moderate-cost loans to qualified applicants for working capital and equipment purchases (only). A major aim of this program is to help rural businesses to innovate, diversify, and exploit emerging market opportunities. Another important objective of this program is to complement the financial services of another public sector lending agency by working jointly to fund a food/fiber production or processing project that involves one (or more) Maryland resource-based businesses. (Note: public sector agencies can include: the USDA–Farm Service Agency, a county or regional revolving loan fund, a Small, Minority and Women-Owned Business Account/Video Lottery Terminal fund manager, etc.)

MARBIDCO may finance the activities of agricultural or resource-based businesses located anywhere in the State of Maryland (up to a maximum of \$75,000). It should be noted that MARBIDCO will not provide financing in an amount greater than another participating public lender. MARBIDCO will also take a senior lien position on any collateral security that is pledged to that of another public sector lender participating in the project financing. (However, it is possible that MARBIDCO may consent to be in a subordinate lien position to that of a regulated commercial bank or Farm Credit Association pertaining to additional needed collateral security, under circumstances that are appropriate to conclude a transaction.)

Loan Terms and Conditions

- Minimum/Maximum Loan Amount: \$10,000/\$75,000
- Equity Requirement: Typically 10% of a project’s total cost.
- MARBIDCO Interest Rate: 5.75% APR (Fixed rate.)
- Loan Origination Fee: 1% of the loan amount (This fee, plus any applicable closing charges, will be collected at loan settlement.)
- Loan Terms: Equipment: 3 to 7 years. Operating Line: 1 to 2 years.
- Public Sector Lender Participation: A public sector commercial lender must participate in the application process by both committing to a certain level of matching financing, and by completing a form which is included in this application packet.
- Commercial Lender Involvement: A commercial lender must provide a denial letter or complete the commercial lender referral form included in this application packet.
- Personal Guarantee: Required. All loans made to a business entity must be personally guaranteed by the owners of the business.
- Application Submission Process: All applications must be originated by the applicant and the partnering lending organization. Cooperative extension agents, county agricultural marketing officials, and other business 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

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 (circle one): monthly quarterly annually

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	Amount Owed
	\$		\$
	\$		\$
	\$		\$
	\$		\$

BUSINESS STRUCTURE

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship LLC SIC/NAICS Code _____

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 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 _____

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.
5. Completed & signed Partnering Public Sector Lender Form (page 7).
6. Signed Commercial Lender Denial Letter or Completed Commercial Lender Referral Form (page 9).
7. Completed Balance Sheet (attachment 1).
8. Completed Income Statement for the past 2 years (attachment 2a).
9. Completed Pro Forma Income Statement (attachment 2b).
10. Completed Debt Repayment Schedule (attachment 3).
11. If offering real estate as collateral, a copy of the most recent appraisal.

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.

PARTNERING PUBLIC SECTOR LENDER FORM
MARBIDCO RURAL BUSINESS EQUIPMENT AND WORKING CAPITAL LOAN FUND APPLICATION
(To be completed by the Partnering Public Sector Lender)

An applicant is in the process of requesting a Rural Business Equipment and Working Capital Loan from MARBIDCO, and would need the participation of your agency or organization as well for this financing to proceed. Please provide the information requested below in order for MARBIDCO to process this application.

Name of Applicant/Borrower_____

Business Project/Activity_____

Project Location_____

PUBLIC SECTOR LENDER INFORMATION:

Lending Agency Name_____

Business Address_____ City_____

State_____ Zip Code_____ County/Region Served_____

Loan Officer Name_____ Title_____

Office Telephone_____ Mobile Telephone_____

E-mail_____

Description of Your Proposed Loan_____

Amount_____ Term_____ Conditions_____

Repayment Method_____

Collateral Description (Please be advised that public lenders will be in the junior lien position behind MARBIDCO)

ADDITIONAL INFORMATION:

Please briefly describe the project proposed in this application:

(Continue on Next Page)

Please briefly describe the relationship you have with this applicant and your agency’s involvement in financing the proposed project:

Please briefly describe how this project will “cash flow” to repay both loans:

Please briefly describe any loans (current or past), terms and conditions, collateral, and business relationship you have with this applicant. *(Loan history: payments, defaults, etc.)*

Please fill in the following pertaining the applicant’s current debt situation as best to your understanding. (Note: you may want to also refer to “Attachment 3” if that is available to you.):

Applicant’s Current Loans (if any):

DESCRIPTION OF CURRENT LOANS	LOAN TERM	COLLATERAL	AMOUNT BORROWED	AMOUNT OUTSTANDING
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

Please provide any other comments here:

Officer Signature _____ Date _____

COMMERCIAL LENDER REFERRAL FORM

MARBIDCO RURAL BUSINESS EQUIPMENT AND WORKING CAPITAL LOAN FUND APPLICATION

(To be completed by the Referring Commercial Lender)

Name of Applicant _____

Address _____

Business Project/Activity _____

I do hereby authorize the release of the following information to MARBIDCO:

Signature of Applicant _____ Date _____

An applicant is requesting a Rural Business Working Capital Loan from MARBIDCO. Please kindly provide the information requested below in order that MARBIDCO may process this application. It is understood that you are not offering an opinion as to whether or not MARBIDCO should make a loan to the applicant.

Lending Institution Name _____

Business Address _____ City _____

County _____ State _____ Zip Code _____

Bank Officer Name _____ Title _____

Work Telephone _____ E-mail _____

DESCRIPTION OF CURRENT LOANS MADE TO THE APPLICANT	LOAN TERM	COLLATERAL	AMOUNT BORROWED	AMOUNT OUTSTANDING
			\$	\$
			\$	\$
			\$	\$

Please briefly describe the loans (current or past), terms and conditions, collateral, and business relationship you have with the applicant?

Bank Officer Signature _____ Date _____

Balance Sheet

Balance Sheet Date: _____

<u>Assets</u>	<u>Liabilities</u>
Current Assets	Current Liabilities
Cash _____	Accounts Payable _____
Accounts Receivable _____	Credit Cards (specify): _____
Notes Receivable _____	_____
_____	_____
Crops Held for Resale _____	_____
Inventory _____	_____
Savings Account _____	Notes Payable (specify): _____
Other Current Assets _____	_____
Current Assets	_____
Automobile/Trucks/Boats _____	Other Liabilities _____
Machinery & Equipment _____	Current Liabilities
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) _____	_____
_____	_____
Non Current Assets	Non Current Liabilities
_____	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 Expenses

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

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

Income Statement

(Revenue and expense for the past 2 years)
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	_____

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	_____

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	
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 upcoming 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	_____

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

Net Farm/Business Income _____

ATTACHMENT 3

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						