Maryland Watermen's Microloan Loan Application

Program Description

MARBIDCO created the Maryland Watermen's Microloan Program, with support from the State of Maryland, to help eligible Maryland watermen and seafood processors access affordable financing for commercial equipment and workboats.

Eligibility

Generational Watermen, Beginner Watermen, and seafood processors may be eligible.

- **Generational Waterman:** A licensed commercial waterman who:
  - Lives in Maryland.
  - Holds a Tidal Fish License from the Maryland Department of Natural Resources or a commercial license from the Potomac River Fisheries Commission.
  - Shows that at least 50% of annual income comes from commercial seafood harvesting, using the two most recent federal income tax returns. Income from a spouse, when filing jointly, will be excluded.
  - The law requires the two most recent years of Federal Income Tax Returns be submitted with the application.
- **Beginner Waterman:** A licensed commercial waterman who:
  - Lives in Maryland and is at least 18 years old.
  - Holds a Tidal Fish License from the Maryland Department of Natural Resources or a commercial license from the Potomac River Fisheries Commission.
  - Has at least 2 years, but not more than 10 years, of commercial seafood harvesting experience.
  - Provides a written work narrative, a reference letter, and the two most recent tax returns, if available.
- **Seafood Processing Business:** A seafood processor that:
  - Holds a Tidal Fish License from the Maryland Department of Natural Resources or a commercial license from the Potomac River Fisheries Commission.
  - Has held a Seafood Dealer License from the Maryland Department of Natural Resources for at least the last 2 years.
  - Shows commercial seafood processing income using the two most recent federal income tax returns.
- Applicants must have a minimum credit score of 620.
- Applicants may not have more than one active microloan at a time.

Eligible Expenses

Commercial watermen may buy boats, motors, and harvesting gear. Seafood processors may buy seafood processing equipment only. All equipment must have a useful life of at least 7 years.

Loan Terms and Conditions

Loan Amount

- $7,000 to $20,000 for equipment. Equipment purchases may not exceed $20,000.
- Loans up to $30,000 may be used to purchase a workboat.
- Loans up to $40,000 may be used to purchase a workboat and equipment, with equipment limited to $20,000.
- The lifetime limit for all microloans is $40,000.

Loan Terms and Interest Rate

Repayment includes at least 6 months of interest-only payments, followed by quarterly principal and interest payments:

- Loans up to $20,000: 4 years, or 16 quarters, of principal and interest payments.
- Loans from $20,001 to $35,000: 4 or 5 years, or 16 to 20 quarters, of principal and interest payments.
- Loans from $35,001 to $40,000: 5 or 6 years, or 20 to 24 quarters, of principal and interest payments.
- Payments are due quarterly. No collateral is required.
- **Interest Rate:** 3.00% fixed.

Loan Forgiveness

MARBIDCO may forgive the final payments if the borrower makes all required payments on time. If payments are not made on time, forgiveness is forfeited, the remaining balance becomes due, and the borrower may not receive future MARBIDCO financing.

- 4-year loans: the last 4 quarterly payments may be forgiven.
- 5-year loans: the last 5 quarterly payments may be forgiven.
- 6-year loans: the last 6 quarterly payments may be forgiven.

Estimated forgiveness amounts:
• $7,000 loan: approximately $1,871
• $20,000 loan: approximately $5,324
• $35,001 loan: approximately $9,455
• $40,000 loan: approximately $10,964

Important Information
• Loan funds will be disbursed on a reimbursement basis to the borrower or paid directly to the vendor. Equipment to be financed with a loan cannot be purchased prior to the application date.
• Early principal repayment may reduce available loan forgiveness. It is not advisable to make early principal repayments or an early lump-sum principal repayment.
• Late or missed payments may result in loss of loan forgiveness, and the remaining unpaid balance may become due.
• Borrowers who default may be ineligible for future MARBIDCO financing.

How to Apply

Complete and submit all required application materials. Applications are processed in the order received.
Submit your application by email to brawlings@marbidco.org or by mail to:
MARBIDCO
c/o Brittany Rawlings
1410 Forest Drive, Suite 21, Annapolis, MD 21403

Maryland Watermen's Microloan Application

Application Instructions

Please complete all applicable fields. All questions must be answered unless otherwise noted. If you need assistance completing this application, please contact MARBIDCO.

Only individuals with a Tidal Fish License issued by the Department of Natural Resources (DNR) or a commercial license to catch finfish, crab, clams or oysters from the Potomac River Fisheries Commission (PRFC) may apply. Seafood Processors must also have a Seafood Dealer License issued by DNR.

Applicant Information

Name: ____

Birth Date: ________________ Social Security Number: ______________________

Address: ____

City: __________________________ County: __________________________

State: __________________________ ZIP: __________________________

Phone: __________________________ Email: __________________________

Applying as a (check one):

☐Beginner Watermen

☐Generational Watermen

☐Seafood Processor

Do you hold (check which one(s) apply): ☐TFL ☐PRFC License

Provide License Number(s): ____

Provide the number of years that you have been fishing commercial: _______

Species of fish and/or shellfish that you have harvested (or processed) during the last 3 years: ________________

Do you have one or more shellfish aquaculture leases? ☐Yes ☐ No

[FYI, MARBIDCO does offer a separate loan program for shellfish aquaculture producers – information is available on the MARBIDCO website.]

Do you work off-the-water with some regularity? If yes, please explain:

Loan Request Information

Loan Amount Requested: ______________

- $7,000 to $20,000 for equipment. Equipment purchases may not exceed $20,000.
- Loans up to $30,000 may be used to purchase a workboat.

- Loans up to $40,000 may be used to purchase a workboat and equipment, with equipment limited to $20,000.

Requested Term (number of years): ___________________

- Loans up to $20,000: 4 years
- Loans from $20,001 to $35,000: 4 or 5 years
- Loans from $35,001 to $40,000: 5 or 6 years

Use of Funds

Use of Funds	Amount

Employment Data

Category	Number
Current Full-Time	
New Full-Time within 36 months	
Current Part-Time	
New Part-Time within 36 months	

Attachments Checklist

All applicable items must be submitted with the application for MARBIDCO to consider the application complete and ready to begin reviewing.

☐Completed and signed application, including all attachments.

☐Copy of your TFL or license issued by the PRFC

☐Applicant Federal Income Tax Returns for the two preceding years, including all schedules

Additional Documents for Generational Watermen

☐ Completed Income Verification Form (Attachment A)

Additional Documents for Beginner Watermen

☐ Brief narrative describing your commercial fishing experience and any income earned from commercial seafood harvesting.

☐ Letter of Reference attesting to your experience as a commercial waterman. Letter should include the name, address, phone number and signature of the person providing the reference.

☐Completed Experience Verification Form

Additional Documents for Seafood Processors

☐ Copy of your Seafood Dealer License

Note: MARBIDCO agrees to hold the 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.

Declarations

If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.

1. Does the waterman/applicant owe any State taxes for prior years? ☐ Yes ☐ No

2. Is the waterman/ applicant unable to use a TFL or PRFC license at the present time? ☐ Yes ☐ No

Conflict of Interest and Ethics Certification

The applicant certifies compliance with the Maryland Public Ethics Law. The applicant affirms that to the best of their knowledge, no State official or employee—nor any qualifying relative (spouse, parent, child, brother, or sister) of a State official or employee—is employed by or has a financial interest in the applicant's business. Furthermore, no State official or employee has a financial interest in the proceeds of this loan or a financial interest in an entity that is negotiating or has entered a contract with the governmental unit.

Equal Credit Opportunity Act (15 U.S.C. 1691)

MARBIDCO does not discriminate in its lending practices. The Federal Equal Credit Opportunity Act (ECOA) and the laws of the State of Maryland strictly prohibit creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), physical or mental disability, sexual orientation, gender identity, 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 the federal law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Authority to Collect Personal Information

This notice is provided pursuant to § 4-501 of the General Provisions Article of the Maryland Code. The personal information requested on this application is intended to be used in processing your loan request. Failure to provide the information requested may result in your application not being processed or receiving full consideration. You have the right to inspect, amend, or correct this form.

MARBIDCO is a public agency and is subject to the Maryland Public Information Act. Please be advised that information contained in this form may be made available on the Internet via the agency's website and is subject to inspection or copying, in whole or in part, by the public and other governmental agencies, unless the information is explicitly protected from disclosure by federal or State law.

I authorize the disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the project financing.

I waive all claims against any financial institution agreeing to participate in the project financing or MARBIDCO.

I waive all claims against either MARBIDCO or the State of Maryland.

I realize that if I do not comply with the aforementioned Certification, my loan can be called, terminated or repayments accelerated.

I authorize MARBIDCO to obtain any additional financial information concerning me 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 certify under penalty of perjury under the laws of the State of Maryland that the information provided in this application, including all statements, representations, and accompanying documents, is true, accurate, and complete to the best of my knowledge.

I understand and acknowledge that submitting false, misleading, or intentionally incomplete information is a violation of State law. I agree that any such misrepresentation may result in the immediate denial of this application, the immediate acceleration and demand for repayment of any loan funds already disbursed, and referral to the appropriate authorities for criminal prosecution for fraud and/or perjury.

Signature

Applicant Name: ____

Signature: ____

Date: ___________________

Electronic signatures, including PDF or emailed signatures, are considered original.

How did you hear about this MARBIDCO financial program?

☐Search Engine (Google, Bing, etc.)
☐Social media
☐Recommended by a friend
☐Event table or exhibit
☐MARBIDCO newsletter
☐Advertisement
☐Other (specify): _________________________

☐ Referred by (Enter name/ organization/ state agency): ____________________________________

Attachment A. Maryland Watermen's Income Verification Form

For Generational Waterman Applicants

Use this form to show that at least 50% of the applicant's annual income comes from commercial seafood harvesting. Submit this form with the two most recent federal income tax returns and all IRS schedules. If the applicant's spouse has separate income, MARBIDCO will review only the applicant's income. Income from selling shellfish aquaculture products generally does not count as commercial seafood harvesting income.

Instructions: Complete all fields. Attach the two most recent federal income tax returns, including all IRS schedules. MARBIDCO may ask for more information. The application is not complete until all required documents are received.

Tax years submitted: ______________________________________

Applicant filing status: ☐Single ☐Jointly

First tax year: __________________

Enter amounts exactly as shown on the tax return.

Income Type	Dollar Amount
A. Adjusted Gross Income (AGI) for first tax year	
B. Applicant income from commercial seafood harvesting*	
C. Applicant income from all other sources	
D. Applicant total income (may differ from AGI, especially for joint returns)	

*To qualify, amount B must be at least 50% of amount D.

First tax year: Does the applicant have W-2 wage income? ☐ Yes ☐ No

First tax year: If these amounts differ from the tax return, provide an explanation on a separate sheet.

____

Second tax year: __________________

Enter amounts exactly as shown on the tax return.

Income Type	Dollar Amount
A. Adjusted Gross Income (AGI) for second tax year	
B. Applicant income from commercial seafood harvesting*	
C. Applicant income from all other sources	
D. Applicant total income (may differ from AGI, especially for joint returns)	

*To qualify, amount B must be at least 50% of amount D.

Second tax year: Does the applicant have W-2 wage income? ☐ Yes ☐ No

Second tax year: If these amounts differ from the tax return, provide an explanation on a separate sheet

____

Attachment B. Maryland Watermen's Experience Verification Form

For Beginner Waterman Applicants

Complete all fields. If a question does not apply, write "N/A."

☐Attachments required: Include one reference letter confirming your commercial waterman experience. The letter must include the writer's name, address, phone number, signature, and how they know you. Include your two most recent federal tax returns, if filed.

Applicant name: ____

License type: ☐TFL ☐PRFC License

Commercial fishing experience: ______ years ______ months

Do you currently own a workboat? ☐Yes ☐No

Species harvested in the last 3 years:

____

Do you have recent W-2 wage income? ☐Yes ☐No

Describe your commercial fishing experience, including employers and fishing-related income: