Maryland Resource-Based Industry Financing Fund Participation Loan Program

The Maryland Resource-Based Industry Financing Fund (MRBIFF), administered by MARBIDCO, supports the financing needs of Maryland farm, forestry, and seafood businesses. The program promotes diversification, innovation, and market expansion in food and fiber production and processing, including value-added processing, niche product development, and wood product manufacturing. It may assist with the purchase of working farm or forest land, and it complements the financial services offered by private lenders by making gap financing available and affordable. MARBIDCO offers a Direct Loan Option and a Participation Loan Option of MRBIFF.

MRBIFF provides affordable loans for land and capital equipment related to eligible food, feed, fiber, and fuel businesses. Under the Participation Option of MRBIFF, MARBIDCO can contribute 30-49% of the financing contingent on equal or greater participation from a commercial lender or a public sector lender. Applications must be submitted through a participating commercial lender or Farm Credit Association.

Loan Terms and Conditions

Term	Details
Maximum loan amount	\$350,000 acquisition of equipment/fixed assets \$700,000 real estate and poultry house construction \$1 million large scale food/fiber processing project (not more than 25% of the project cost)
Equity requirement	Typically, 5-10% of a project's total cost; can be less for young and beginning farmers, poultry projects may not exceed an LTV of 92%
MARBIDCO interest rate	4.25% (lender can add up to a 0.75% servicing fee for a maximum rate of 5.00%)
Loan terms (typically)	Equipment: 3 to 7 years (with up to 12 months interest-only) Land: 10-30 years (typically with a 15-year balloon)
Collateral	Collateral required
Credit Score	Minimum 620
Commercial Lender Participation	Commercial lender/Farm Credit (or public sector lender) provides 51-70% of the financing. Senior Lender services the loan.
Personal guarantee	Required. All loans made to a business entity must be personally guaranteed by the owners of the business.
Send completed applications to	Email completed applications to Brian Cadden, bcadden@marbidco.org or mail to MARBIDCO Loan Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

MARYLAND RESOURCE-BASED INDUSTRY FINANCING FUND (MRBIFF) PARTICIPATION LOAN (Bank Participation Loan Application Form)

Loan Participation Structure

Enter the percentage to be financed by MARBIDCO and the lender.

☐Standard Participation

MARBIDCO Share (30% to 49%): ____________________

Lender Share (51% to 70%): ____________________

☐Maximum Participation (MARBIDCO finances less than 30%, subject to maximum loan amounts of $700,000 for real estate, $350,000 for equipment, and $1,000,000 for processing projects)

Loan Category

Choose one loan category.

Agribusiness includes agriculture, forestry, seafood production, processing projects, and equine and horticulture businesses.

☐Agri-Business Construction / Equipment (maximum $350,000)

☐Agri-Business Real Estate Purchase and Poultry House Construction (maximum $700,000)

☐Large Food/Fiber Processing (maximum $1,000,000 and no more than 25% of the total project cost)

Application Checklist

☐This application must be completed and signed by the participating lender's representative and all individual borrowers.

☐Include the lender's loan or credit underwriting package, including:

- Loan Officer's Narrative
- Balance Sheet (dated within 90 days of application submission)
- Income Statements (past two years)
- Debt Repayment Schedule
- Pro Forma Income Statements (at least one year of projections)

☐Business plan for the next three years, if available

☐Project Description

☐Tax returns for the applicant and farm operation for the last two years
☐Most recent appraisal for the real estate used as collateral
☐Hometown Hero documentation

Submit applications by email to participation@marbidco.org. The assigned MARBIDCO loan officer will respond to the participating lender within 2 business days.

PARTICIPATING LENDER INFORMATION TO BE COMPLETED BY LENDER

Borrower Information

Applicant Type: ☐Business Entity ☐ Individual

Beginning Farmer: ☐Yes ☐No

A "Maryland Beginning Farmer" is defined as one who:

- Has not operated a farm or reach as a principal operator for more than 10 years, **and**
- Has at least one year of farming experience, OR has earned a college-level degree, OR has completed a qualified farm management training program that includes substantial fieldwork experience, OR currently has an involved/experienced farm and business mentor.

Business Information (if applicable)

Business/Farm Name: ____

Business Address: ____

City: ____________________________ County: ________________________________

State: ___________________________ ZIP: _________________________________

Contact Person: _________________________ Title: _________________________________

Phone: __________________________ Email: ________________________________

Year Established: _____________ State: _____________

NAICS Code: ________________

Business Type : ☐Corporation ☐ LLC ☐Partnership
☐Proprietorship ☐ Agricultural Cooperative

Management/Ownership/ or Individual Borrower(s) Information

If there are more than 2 persons, please provide the following information for each additional person on an attached sheet.

Number of individual borrowers: _______

Name: ____

Ownership %: ___________________________ Credit Score: _______________________

SSN: ___________________________________ Date of Birth: ________________________

Address: ____

City, State, Zip: ____

Phone: ____________________________ Email: ______________________________

Name: ____

Ownership %: ___________________________ Credit Score: _______________________

SSN: ___________________________________ Date of Birth: ________________________

Address: ____

City, State, Zip: ____

Phone: ____________________________ Email: ______________________________

Lender Information

Financial Institution: ____

Address: ____

City: __________________________ County: ______________________________

State: ___________________________ ZIP: __________________ Office Phone: ___________________

Contact Person: ______________________________ Title: ______________________________

Direct Phone: ________________________ Email: _____________________________

Loan Request

Loan Amount Requested: ________________

How will MARBIDCO loan funds be used: ____

Use of Funds	Amount

Project Financing

Total Being Financed ($)	
Total Borrower Equity ($)	
Total Project Cost ($)	

Category	**Loan Amount ($)**	**Lender Interest Rate**
Amount Financed by Lender		
Amount Financed by MARBIDCO		
Total Amount Financed		

Amount to be financed by other party, if applicable: $ _______________ (____%)

Specify other party: ____

Senior Lender Interest Rate(s)

Participation Loan Amount ($): ____________________ Interest Rate: ________________

Other Loan 2 ($): ____________________ Interest Rate: ________________

Other Loan 3 (%): ___________________ Interest Rate: ________________

MARBIDCO Interest Rate

MARBIDCO Participation Loan Rate: 4.25%

Hometown Hero Rate Reduction (if applicable): _____

Lender Loan Servicing Fee (0.00% to 0.75%): _____

Final MARBIDCO Rate: _____

Transaction Fees (Provide Fee Amount in $ or %)

Senior Lender Application Fee: ________________

Senior Lender Origination Fee: ________________

Senior Lender Loan Servicing Fee: ________________ (Cannot exceed 0.75%)

There are no additional transaction fees for the MARBIDCO Participation Loan.

Collateral

How will this participation loan be secured for the Lender and MARBIDCO (i.e., the collateral)?

Collateral	Value	Lien Amount
Real Estate (required):	$	$
	$	$
	$	$
	$	$

Repayment

The partnering lender selects an appropriate term and amortization period for MARBIDCO's participation loan. The lender may use a single loan note or multiple notes to finance the overall project, but MARBIDCO is expected to have an interest in only one loan note. MARBIDCO generally recommends matching its loan amortization to the lender's, but the MARBIDCO loan must balloon at the end of Year 15 if the amortization period is longer.

Preferred Payment Schedule

☐ Monthly ☐Quarterly ☐Annually ☐Semi-Annually

Enter the lender term and amortization details on the left and the MARBIDCO participation term on the right.

Lender Participation Loan Term and Amortization	MARBIDCO Participation Loan Term

Farm Service Agency or Other Loan Guarantee

MARBIDCO encourages, but does not require, Partnering Lenders to secure an FSA loan guarantee or other government loan guarantee. To qualify for an FSA loan guarantee, the Applicant must:

- be a citizen of the United States (or legal resident alien), which includes Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territories
- have an acceptable credit history as determined by the lender;
- have the legal capacity to incur responsibility for the loan obligation;
- be unable to obtain a loan from the lender without an FSA guarantee;
- not have caused FSA a financial loss by receiving debt forgiveness on more than 3 occasions on or prior to April 4, 1996, or any occasion after April 4, 1996, on either an FSA direct or guarantee loan;
- be the owner-operator or tenant-operator of a family farm after the loan is closed. For an Operating loan, the producer must be the operator of a family farm after the loan is closed. For a Farm Ownership loan, the producer also needs to own the farm; and
- not be delinquent on any Federal debt.

Will this participation loan include an FSA or other government loan guarantee? ☐Yes ☐ No

Local or Regional Equity Incentive Grant (if applicable)

MARBIDCO may offer up to a 5% in Equity Incentive Grant with financial support from certain county governments and rural regional development councils (including the Southern Maryland Agricultural Development Commission, a division of the Tri-County Council for Southern Maryland, and the Upper Shore Regional Council). The Equity Incentive Grant applies to applications received for businesses located **only** in the following Maryland counties: **Anne Arundel, Calvert, Cecil, Charles , Kent, Prince George's, Queen Anne's and St. Mary's.**

The Applicant(s) must provide cash equity at settlement and the Equity Incentive Grant funds will match the equity contribution of the borrower up to 5% of the project cost (not to exceed $15,000 maximum). The Equity Incentive Grant amount will be determined prior to settlement and included in the approval letter, and grant funds will be disbursed with loan proceeds upon receiving a signed settlement statement which indicates the requisite equity contribution has been made. The calculation for the Equity Incentive Grant amount is: 1) The total project cost (for real estate purchase, fixed asset, and/or construction expense) minus the anticipated commercial financing equals the equity contribution that would be required to complete the project; and 2) the borrower then must contribute at least an equal amount to that of MARBIDCO funds that are brought to the settlement table to provide sufficient funding to complete the total project (with MARBIDCO's amount capped at $15,000).

Will the Applicant provide up to 5% cash equity at settlement to qualify for an Equity Incentive Grant?

☐Yes ☐No

If “yes”, Enter the percentage and dollar amount: _____________% $ _______________

Name of participating county: ______________________________

Project Information

☐Commodity Crop
☐Specialty Crops
☐Livestock
☐Value-Added Processing
☐Agri-Tourism
☐Timber
☐Wood Processing
☐Environmental/Water Quality
☐Biomass/Energy
☐Niche Markets
☐Aquaculture/Seafood
☐Other ____________________________

Employment Data

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

LENDER CERTIFICATION

I certify that the information contained above is accurate to the best of my knowledge based upon the representations of the borrower(s) and other information that is available to me.

Authorized Lender Signature: ________________________________ **Date:** _______________

Print Name: ____ **Title:** __________________

BORROWER(S) INFORMATION
TO BE COMPLETED and SIGNED BY BORROWER(S)

Veteran Status

1. Are you a U.S. military veteran who has received an “Honorable” or “General (Under Honorable Conditions)” discharge; OR are you an active duty military personnel currently serving in any branch of the United States military? (select one): ☐Yes ☐ No

2. Do you have at least 50% ownership and management control of the agribusiness and/or farming operation? (select one): ☐Yes ☐No

If yes to both questions above please provide evidence, either by providing a letter of support from your commanding officer or designated representative attesting to your characterization of service, OR by submitting a Department of Defense Form DD-214, to receive the Home Town Hero Interest Rate Reduction of 0.25% (25 basis points).

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

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 aforegoing, 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.

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 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.

Signatures

Applicant Name: ____

Signature: ____

Date: ___________________

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]:____________________________