Maryland Shellfish Aquaculture Financing Fund

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), in partnership with the Maryland Department of Natural Resources (DNR), offers affordable loan financing to help commercial watermen and other eligible applicants start or expand shellfish aquaculture operations in Maryland's Chesapeake and Coastal Bays. The University of Maryland also provides training and business planning support for current and prospective shellfish growers.

Who May Apply

- Applicants must hold, or have applied for, a State submerged land or water column aquaculture lease.
- Applicants must submit production and business plans showing that the project is financially feasible.
- Applications are reviewed in the order received.

Eligible Uses of Funds

Loan funds may be used for approved commercial oyster, scallops or clam aquaculture projects, including:

- Shell or other substrate
- Seed or larvae
- Capital equipment

On-bottom and water column projects (i.e. cages or floats), may be eligible. Boats, trucks, and other motor vehicles are not eligible. Borrowers must identify where they plan to buy shell or substrate.

Loan Amounts and Key Requirements

- **Loan amount:** $5,000 to $100,000.
- **Lease status:** Applicants must hold or have applied for a DNR shellfish aquaculture lease.
- **Project timing:** Production must begin within 12 months of lease approval.
- **Equity:** Borrowers must contribute at least 10% of the loan amount. Ownership of a commercial workboat and other capital equipment may help meet this requirement.
- **Credit history:** A credit score of at least 620 is required, with no bankruptcy in the past seven years. Applicants below 620 must have a qualifying co-signer.
- **Priority** will be given to applicants who have received less than $100,000 in Shellfish Aquaculture funding previously from MARBIDCO.

Interest Rate and Terms

- **Interest rate:** Up to 5.25%. The rate may be as low as 3.00% during the first one to three years, depending on the approved interest-only period.
- **Substrate and seed:** Up to 5 years (1-3 years interest only and 2 years P&I).
- **Capital equipment:** Up to 7 years (1-3 years interest only and 4 years P&I).
- **Blended purchases:** Up to 6 years (1-3 years interest only and 3 years P&I).
- **Repayment:** Quarterly payments are required.

Loan Repayment Assistance

- **First-time borrowers:** 40% principal forgiveness on up to $100,000.
- **Existing borrowers:** 25% principal forgiveness on $100,001 to $300,000.

During the first 1-3 years, borrowers would make interest only payments on a quarterly basis; thereafter, regular amortizing loan payments would be due with either 40% or 25% of the principal amount of the loan forgiven according to the limits above. Borrowers must stay in good standing on loan payments and follow their production plans to keep loan forgiveness. Borrowers who are not in good standing may lose loan forgiveness.

Collateral and Insurance

Traditional collateral is not required. Personal guarantees from all borrowers are required. A DNR shellfish aquaculture lease may be revoked if the borrower is not in good standing on MARBIDCO loan repayments.

If shellfish crop insurance becomes available, borrowers are encouraged to buy coverage and name MARBIDCO as a loss payable assignee for the loan amount.

Project Review

A Shellfish Aquaculture Financing Committee reviews each application. The committee considers borrower creditworthiness, project feasibility, business plans, production plans, and financial projections.

Projects should include adequate plans and positive cash flow projections. Applicants may revise and resubmit plans.

Application Fee and Submission

There is no loan application fee. Send the completed and signed application, with all required attachments, to:

MARBIDCO Shellfish Aquaculture Loan Program
c/o Brittany Rawlings
1410 Forest Drive, Suite 21
Annapolis, MD 21403

Maryland Shellfish Aquaculture Financing Fund

Applicant Information

Business/Farm Name: ____

Business Address: ____

City: _______________________________ County: _______________________________

State: _______________________________ ZIP: _______________________________

Contact Person: _______________________________ Title: _______________________________

Phone: _______________________________ Email: ______________________________

Shellfish Aquaculture Lease Information

For each lease, list the lease number, acreage and whether the lease is a water column or submerged land lease.

Lease Number	Acreage	Water Column or Submerged

Business Structure

Year Established: ____________ State: ____________

NAICS Code: ________________

☐Corporation ☐Proprietorship ☐Partnership ☐LLC

Management/Ownership

If there are more than 2 owners, provide the information for all owners and attach to application.

Management/Ownership (Owner 1)

Name: ____

Title: _________________________________ Ownership %: ________________________

SSN: _________________________________ Date of Birth: ________________________

Address: ____

City, State, Zip: ____

Phone: ___________________________ Email: _____________________________

Tidal Fisheries License Number: ____

Are you a “beginner shellfish aquaculture farmer” (defined as not operating a lease for more than 10 years):
☐Yes ☐ No

Management/Ownership (Owner 2)

Name: ____

Title: _______________________________ Ownership %: _______________________

SSN: _______________________________ Date of Birth: _______________________

Address: ____

City, State, Zip: ____

Phone: ___________________________ Email: _____________________________

Tidal Fisheries License Number: ____

Are you a “beginner shellfish aquaculture farmer” (defined as not operating a lease for more than 10 years):
☐Yes ☐ No

Loan Request Information

Loan Amount Requested: _______________

Requested Term (number of years): _________________

Use of Funds

Use of Funds	Amount

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

Cash equity may be required.

Source	Amount

Production Assets:

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

Description	Value	Lien Holder	Amount Owed

Project Information

From whom will you purchase shell/substrate and larvae/seed? ________________________________

____

What will you pay for the shell or substrate? ____

When will it be moved to your lease? ____

Employment Data

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

Project Advisor (If applicable)

Advisor Name: ____

Title: ____

Institution Firm: ____

Phone: ________________________________ Email: _______________________________

Land-Based Facilities

If Owned

Size(acres) ____________________

Location ____

If Leased

Size(acres) ____________________

Location ____

No. of Buildings: ___________________________

Type of Structure(s): ____

Attachments Checklist

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

☐Project description that explains how the funds from this loan will aid the production of shellfish on your lease and information about what will be purchased with the loan funds.
☐Description and history of the applicant individual or company
☐Copy of the DNR lease(s)
☐Production and Business plan for the project to receive financing
☐Applicant *and* farm operation tax returns for the two preceding years
☐*Completed Balance Sheet
☐*Completed Income Statement for the past 2 years
☐*Completed Pro Forma Income Statement and 5 years of financial projections
☐*Completed Debt Repayment Schedule

Templates for the Balance Sheets, Income Statements and Debt Repayment Schedules are available on MARBIDCO's website.

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. 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

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.

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]:___________________________