



Application for the Maryland Oyster Shucking House Loan Fund **Program Description**

MARBIDCO

The Maryland Oyster Shucking House Loan Fund has been established by MARBIDCO to help finance the cost of eligible seafood processing projects, including historic oyster shucking facilities and to facilitate an increase in the amount of oyster shells retained in the State and returned to the Chesapeake Bay. As a result of legislation enacted in 2022 (Senate Bill 830), MARBIDCO received \$1 million to operate the new Oyster Shucking House Loan Fund program. This legislation enables MARBIDCO to offer loans of up to \$250,000 to finance the eligible costs of qualifying oyster processing business projects (under certain terms and conditions).

Loan amounts can range from a minimum of \$25,000, up to a maximum of \$250,000 which is dependent upon the number of full-time jobs or seasonal full-time jobs being created or retained. For each full-time job projected to be created or retained, MARBIDCO can provide \$25,000 in financing.

Loan proceeds can be used to renovate or construct a new oyster processing facility or expand an existing one, as well as purchase oyster processing equipment. Eligible applicants must have been a licensed Maryland Seafood Dealer for at least three years OR be a TFL-holder for at least five years and agree to obtain a Seafood Dealer License if approved for financing. Applicants must also have paid all applicable taxes and fees for the last five years. Submission of a business plan, including financial projections, is required.

This program can offer standalone financing or can work in conjunction with another MARBIDCO loan program.

Loan Terms and Conditions

Minimum/Maximum Loan Amount:	\$25,000 / \$250,000 (Capped at \$25,000 for each full-time job or seasonal full-time job created or retained)
Equity Requirement and Match:	At least 3% of a project's total cost must be provided by the borrower as an equity contribution towards the completion of the project. With grant funds provided by two Maryland rural regional councils, MARBIDCO will match on a dollar-for-dollar basis the equity contribution up to 5% of the project cost (with a cap of \$12,500) in the following counties: Cecil, Kent, Queen Anne's.
Working Capital Requirement:	Applicants constructing a new facility must demonstrate that they have a minimum level of working capital available of at least 15% of the project cost (either in cash or through a bank line of credit). All other applicants must demonstrate that at least 10% working capital is available to run the operation.
MARBIDCO Interest Rate:	3.25% (fixed). NOTE: The loan origination fee is being waived for this program.
Loan Terms/ Collateral:	The length of the term of a loan will correspond to the useful life of the assets being financed, following an initial interest-only period (of up to 6 months). Other conditions will apply including the pledging of appropriate collateral security.
Personal Guarantee(s):	Are normally required. Owners of business entities (e.g., an LLC) must also provide guarantees.
Application Submission Process:	Applications are processed as they are received and should include all required attachments (please see the Checklist on Page 8 for more information).
Send Completed Applications to:	skubofcik@marbidco.org or MARBIDCO Loan Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

SECTION 1: APPLICANT INFORMATION

Applicant Type (select one):

Business Entity

Individual(s)

Business Entity

Business Type:

Proprietorship

Partnership

Agricultural Cooperative

LLC

Corporation

Year Established/Incorporated: _____

EIN # _____

Business Name _____

Business Address _____ County _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ E-mail _____

Home Telephone _____ Mobile Phone _____

Individual(s) *(If Business Entity, complete individual information for each owner.)* No. of Individual(s) _____

1. Name _____ % Ownership _____

Social Security # _____ Date of Birth _____

Address _____ County _____

City _____ State _____ Zip Code _____

Phone _____ Email address _____

2. Name _____ % Ownership _____

Social Security # _____ Date of Birth _____

Address _____ County _____

City _____ State _____ Zip Code _____

Phone _____ Email address _____

3. Name _____ % Ownership _____

Social Security # _____ Date of Birth _____

Address _____ County _____

City _____ State _____ Zip Code _____

Phone _____ Email address _____

For additional applicants, please copy this page and attach it to the application.

SECTION 2: LOAN REQUEST INFORMATION

Total Amount Requested from MARBIDCO: _____ Term Requested: _____

Repayment Method: monthly quarterly annually

Interest-Only Period Requested _____ months

Funding Sources (Borrower Equity, MARBIDCO Funds, and/or Other Commercial Loan Funds):

Source	Amount
Total	
\$	

***A Use of Funds list must be submitted as an attachment and include details of description of the project/item and costs.**

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 Holder	Amount Owed

VETERAN STATUS (Home Town Heroes Interest Rate Reduction Incentive)

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? YES NO
2. Do you have at least 50% ownership and management control of the business operation? 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).

APPLICANT LICENSEE STATUS

- A.** Have you been a Maryland Licensed Seafood Dealer for at least three years? Yes No
Seafood Dealer License #: _____

OR

B. Have you been a Tidal Fisheries License Holder for at least five years and intend to own or operate an oyster processing facility and obtain a Seafood Dealer License? Yes No
TFL #: _____

SECTION 3: OYSTER PROCESSING PROJECT JOBS INFORMATION

Employment Data to Calculate Maximum Allowable Loan Amount:

No. of Full-Time Jobs (at time of application): _____

No. of Seasonal Full-Time Jobs (at time of application): _____

Number of Jobs Projected to be Created or Retained as a Result of the Loan (including Owners)			
No. of Full-time jobs projected to be retained		No. of Seasonal Full-time Jobs Projected to be Retained	
No of Full-time jobs projected to be created in 3 years following current year		No. of Seasonal Full-time Jobs Projected to be Created in 3 years following current year	

Full-time position means a position requiring an employee to work at least 840 hours during at least 24 weeks in a 6-month period. (Or about 35 hours per week).

Seasonal Full-time position means a position for which an individual is required to work a minimum of 420 hours during 12 weeks in a 3-month period.

Total Full-time Jobs X \$25,000	
Total Seasonal Full-time Jobs X \$25,000	
Maximum allowable loan amount	

Average Current or Expected Hourly Wage of Employees (excluding owners): \$ _____

SECTION 4: OYSTER PROCESSING PROJECT INFORMATION

If a Currently Operating Facility, please include the following information:

Federal Tax ID #: _____ Seafood Dealer License #: _____

Maryland Department of Health Food Processing Plant License #: _____

Other Government Issued Permits for the Facility (specify type and include ID #)

Has this facility been in operation within the past year processing seafood? YES NO

Has this facility been in operation within the past year processing oysters? YES NO

In what year did the facility begin processing seafood? _____ And oysters specifically? _____

Is the owner of the facility a Tidal Fisheries License Holder?(not necessarily a requirement) YES NO

If yes, TFL License #: _____ Actively in Use? YES NO

Species of fish/and or shellfish that applicant has harvested during the last 3 years? _____

Does the applicant have one or more shellfish aquaculture leases from DNR? (not a requirement) YES NO
(FYI, MARBIDCO does offer a separate loan program for shellfish aquaculture producers-information is available on MARBIDCO's website)

Existing and Projected Market(s) for the Sale of Oysters (please check all that apply):

Existing:	Wholesale	Retail	Other (please specify) _____
Future:	Wholesale	Retail	Other (please specify) _____

Will Real Estate Need to Be Purchased: Yes No If yes, explain below:

BRIEF DESCRIPTION OF PROJECT, INCLUDING THE JUSTIFICATION FOR MARBIDCO FINANCING

Please provide or attach a brief description of the project, including a description of the Applicant's need for oyster processing equipment and facilities. (Include details on any land or equipment to be purchased, renovations that might be needed, and any labor that will likely be required.)

IN ADDITION, please attach revenue and expenses projections of the oyster processing business (estimates) for the next five years. If processing other seafood products, please note that separately in the business plan and financial projections. Please see the Checklist on Page 8 for the list of attachments that will need to be provided.

PROJECT ADVISOR(S) *(If Applicable)*

1- Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

2- Name _____ Title _____

Institution/Firm _____

Work Telephone: _____ Email: _____

PHYSICAL FACILITIES (REAL ESTATE)

If Owned Currently #1

Address_____

Annual Mortgage Payment_____Term of Mortgage _____

Mortgage Balance_____Appraised Value _____

Size(acres)_____Local Zoning Classification of the Property_____

Type/# of Buildings_____

If Owned Currently #2

Address_____

Annual Mortgage Payment_____Term of Mortgage _____

Mortgage Balance_____Appraised Value _____

Size(acres)_____Local Zoning Classification of the Property_____

Type/# of Buildings_____

If Leased Currently

Address_____

Annual Rental Expense_____Lease From_____

Size(acres)_____Location_____

Phone Number of Owner/Leasing Agent _____

Is this property a historic oyster shucking house or oyster processing facility? YES NO

Additional noteworthy historical or other aspects of the oyster processing facility (please explain):

An Important Note Concerning Potential Debt Forgiveness Under this Loan Program:

If a loan is made using this program, MARBIDCO will forgive a portion of the debt that is owed under the following conditions, as certified by the Maryland Department of Natural Resources:

- 1) The market value for each bushel of oyster shell that is returned to DNR (the value of which will be determined by DNR using a legally prescribed methodology); OR
- 2) If oyster shell is directly returned to public fishery oyster bars, \$25 for each bushel of spat-on-shell that is planted.

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 related to fraud? | Yes | No |

SECTION 5: 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. I/We certify that, to the best of our knowledge, I/We have paid all applicable business taxes and fees for the past five years.

Signature_____Signature_____

Printed Name_____Printed Name_____

Date_____Date_____

Signature_____Signature_____

Printed Name_____Printed Name_____

Date_____Date_____

SECTION 6: ATTACHMENTS CHECKLIST

1. ☐ Project's Use of Funds (a detailed list of all project items and costs)
2. ☐ Description and history of the applicant company or operation.
3. ☐ Resume(s) or working history of principal business owner(s) and/or manager(s).
4. ☐ Applicant and business operation tax returns for the two preceding years (include W/2's, if available)
5. ☐ Completed Balance Sheet for the business* and each guarantor (i.e., the business owners).
6. ☐ Completed Income Statement for the past year for business*.
7. ☐ Completed Pro Forma Income Statement for business for the next **five** years. Please separate the oyster-related income from other seafood products in these projections but provide all sources of business income.
8. ☐ Completed Debt Repayment Schedule for business and each guarantor (see Attachment 1).
9. ☐ Completed Demographic Information (Attachment 2, optional).
10. ☐ If offering real estate as collateral, a copy of the most recent appraisal (if available).
11. ☐ If eligible for Home Town Hero veteran status, supporting letter from commanding officers or federal form DD-214.
12. ☐ Copy of current business licenses (including seafood dealer and/or TFL, as applicable).
13. ☐ Copy of Photo Identification of applicants
14. ☐ Business entity documentation (including Articles of Incorporation, Operating Agreement, etc.)
15. ☐ Business Plan, including:
 - a. ☐ Facility Information, such as facility size, number of employees by day or week, number of oysters and other fish/shellfish to be processed by day or week, and availability of oysters (what is the source)
 - b. ☐ Marketing Information, such as who are the oysters be distributed to (customers)
 - c. ☐ Business Information, such as ownership and management, etc.
 - d. ☐ Any unique aspects of the business, markets, supply of oysters (farm-raised or wild-caught), etc.
16. ☐ If new construction and/or a real estate purchase:
 - a. ☐ Project details (proof of ownership, etc.)
 - b. ☐ New facility/site, expansion or acquisition details
 - c. ☐ Project timeframe information complete, if project started, please explain.
 - d. ☐ Project sources & uses of funds to complete
 - e. ☐ Copy of Purchase agreement and any relevant contracts
 - f. ☐ Appraisal of Property (if recent or available)

* Balance Sheets and Income Statements generated using QuickBooks are usually sufficient for this purpose. If you have any questions concerning this, please contact Stacy Kubofcik, MARBIDCO Senior Programs Manager, at 410.267.6807, or skubofcik@marbidco.org.

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.

How did you hear about this MARBIDCO financial program?

- ☐ Search Engine (Google, Bing, etc.)
- ☐ Social Media
- ☐ Recommended by a Friend
- ☐ Event table
- ☐ MARBIDCO Newsletter
- ☐ Advertisement, where:

Referred by:

- ☐ Maryland Dept. of Agriculture
- ☐ Maryland Dept. of Commerce
- ☐ County Agricultural or Econ. Development Office
- ☐ UMD Extension
- ☐ Commercial Bank or Farm Credit
- ☐ Other:

Business Debt Repayment Schedule

Business Name _____

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 car loans)

Guarantor Name _____

Date: _____

Lender and Loan Number	Original Amount	Date Incurred	Interest Rate	Payments Per Year	Amount of Periodic Payment	Loan Balance
Annual Totals						

Demographic Information

Applicant's Name: _____

MARBIDCO does not require you to furnish this information, but you are encouraged to do so.

MARBIDCO does not discriminate on the basis of this information, nor on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race or sex, MARBIDCO may notate the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check box below.

If Applicant is a business owned and controlled primarily by individuals who are identified in any of the following categories, please check all categories that apply. If Applicant is an individual, please respond for Primary Applicant.

Applicant does not wish to furnish this information

Ethnicity of Primary Applicant: (Check one)

Hispanic or Latino ☐
 Not Hispanic or Latino ☐

Race of Primary Applicant (May check more than one)

American Indian or Alaskan Native ☐
 Asian ☐
 Black or African American ☐
 Native Hawaiian or Other Pacific Islander ☐
 White ☐

Sex of Primary Applicant:

Male ☐
 Female ☐

Marital Status of Primary Applicant:

Married ☐
 Unmarried (include single, divorced, widowed) ☐

Is Applicant a military veteran?

Yes ☐
 No ☐

What year did you begin your business or commercial enterprise? _____