



Economic Development Opportunity Fund

Encourages new investment, redevelopment, business retention, and creation of jobs.



Economic Development
220 South Main Street
Bel Air, Maryland 21014

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Mission

- The fund is designed to stimulate increased financing for new professional/executive, manufacturing, research and development operations and equipment purchases by complementing traditional lenders, State or Federal funding programs.

Target Criteria

- For-profit manufacturers (i.e., assembly, fabrication, processing)
- Distribution
- Wholesalers
- Retailers
- Service companies
- Agricultural businesses
- Technology companies

Type Of Assistance

- Limited to no more than 50% of the total project costs or \$100,000, whichever is smaller

Loan Amount

- Ranges from a minimum of \$50,000 to a maximum of \$200,000

Uses

Loan proceeds may be used for any legitimate business purpose approved by the Loan Review Committee to include:

- Leasehold improvements
- Acquisition of real property
- Construction, renovation and rehabilitation*
- Machinery and equipment
- Working capital **

* *Business must occupy at least 51% of the building*

** *Financing may include loan fees*

Loan Terms

- **Real Estate** – 10 years, maximum, 20-year amortization
- **Equipment** – 3 to 10 years depending on the useful life
- **Working Capital** – interest only, 1 year with option for two annual reconfirmations at fund's discretion
- **Physical Improvements** – maximum 5 years

Underwriting Criteria

- Borrower will provide the Office of Economic Development (OED) with the information outlined in *Applicant's Role*
- Applicant will be required to demonstrate credit worthiness and the ability to service the debt

Applicant's Role

Borrower will provide the following information:

- Completed Economic Development Credit Application (*attached form*)
- Business plan may include the following:
 - business definition
 - products or services offered
 - market analysis
 - approach to selling
 - production process
 - management and personnel
 - financial data
 - summary and conclusions
 - appendices and supporting documents
- Financial statements (balance sheets and income statements for last three years, and an interim financial statement dated within 90 days of application)*
- Personal and corporate* tax returns, including all K-1's and schedules for the last three years
- Schedule all debts (to include rates and terms)*
- Aging of accounts receivable and payable dated within sixty days*
- Executed copy of any lease(s)
- Amount of investment by owner
- Three to five years of income projections, expenses and cash flow
- Current personal financial statements for the principals; participating bank form is acceptable
- Personal resumes of principal(s)
- Appraisals
- Collateral description to include year, make, model and serial number, if applicable

* *applies to existing business*

Collateral

- Borrower must pledge sufficient available assets to secure the loan
- Loan will be secured by the appropriate notes, security agreements, mortgages or deeds of trust and any other documents required by the Loan Review Committee. This includes a perfected security interest in all business assets
- The assets acquired with the EDOF proceeds will be pledged as collateral

Guarantee

- Personal guarantees from any owners having a 20% or greater ownership in the applicant's business
- Lien may be placed on the personal assets of the principal(s), including an Indemnity Deed of Trust on personal residence

Fees

The borrower will be responsible for:

- Non-refundable application fee of \$200.00 paid at the time of loan submission
- Loan origination fee of 2% of the loan amount, due and payable upon issuance of the Economic Development Opportunity Loan Fund commitment letter
- Applicable closing costs to include lien searches, recordation, legal fees, etc.
- An annual service fee of 0.25% of the outstanding loan balance payable on the anniversary date of said loan

For More Information

- Tucker McNulty, Finance Manager
Harford County Office of Economic Development
410.638.3059 / 1.888.195.SITE

Economic Development Credit Application

Credit Request(s)

Purpose of the credit request? _____

Type: Single Pay Term Loan Line of Credit Short Term Other

Amount \$ _____ Term _____ Years/Months _____

Existing lien on collateral offered? Yes No Value/Cost (Less any item amounts) \$ _____

Collateral Description _____

Business Profile

Will the business be a: Borrower Co-Borrower Guarantor on this credit application?

Legal Business Name _____ Taxpayer ID _____

Street _____ Suite Number _____ Telephone Number _____ Fax Number _____

City _____ State _____ Zip Code _____ Email _____

Nature of Business _____

Time as Current Owner _____ Prior 12 Month Sales _____ No. of Employees _____

Business Structure:

Sole Proprietorship

S Corporation

Partnership

Corporation

Other (explain) _____

Information concerning Owner(s) and/or Guarantor(s)

(List All Principals, Owners, and Guarantors who will be obligated on this credit. Attach additional sheets as needed.)

Will this individual be a: Borrower Co-borrower Guarantor on this application?

Will this individual be a: Borrower Co-Borrower Guarantor on this application?

Name _____ Title _____

Name _____ Title _____

Social Security Number _____ %Ownership _____

Social Security Number _____ %Ownership _____

Home Address _____

Home Address _____

Telephone Number _____ Fax Number _____

Telephone Number _____ Fax Number _____

Email _____

Email _____

Business Financial Summary

Please list the bank(s) where the business's Depository and Borrowing accounts are maintained.

Bank Name _____

Bank Name _____

Bank Name _____

Account Type/Deposit _____

Account Type/Deposit _____

Account Type/Deposit _____

\$ _____

\$ _____

\$ _____

Average Balance

Average Balance

Average Balance

Miscellaneous

Are any taxes owed for years prior to current year? Yes No

If Yes, by Whom? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Do any of the parties involved in this credit request act as an endorser, guarantor, maker or co-maker for any other obligations? Yes No

If Yes, by Whom? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Have any of the parties involved in the credit request ever been involved in any bankruptcy proceedings? Yes No

If Yes, by Whom? Borrower Co-Borrower Guarantor (Please Attach Explanation)

Are there any pending law suits or outstanding judgments against any of the parties involved in this credit request? Yes No

If Yes, by Whom? Borrower Co-Borrower Guarantor (Please Attach Explanation)

I/We agree that all documents and information I/We have furnished to you belong to you. Except as otherwise prohibited by applicable law, you may furnish to Harford County Office of Economic Development Revolving Loan Fund any information and documents relating to me/us or my/our account(s) with you. You may also respond to credit inquiries from third parties regarding my/our account(s) with you.

Borrowers

| | | |
|------------|------|--|
| Individual | Date | Name of Corporation, Partnership, etc. |
| Individual | Date | By |
| | | Title |
| | | Date |

Guarantors

| | | |
|------------|------|--|
| Individual | Date | Name of Corporation, Partnership, etc. |
| Individual | Date | By |
| | | Title |
| | | Date |

Please provide the following Business Financial Statements as applicable with the Application

This financial requirement guide has been designed to help you verify that you have included all of the necessary supporting financial documentation needed to evaluate your loan request.

INDIVIDUALS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Personal Federal Income Tax Return of each borrower and guarantor, including all schedules (most recent 3 years)
- Corporate Federal Income Tax Return of Companies owned by the individual borrower (most recent 2 years)

PROPRIETORSHIPS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Personal Federal Income Tax Return of each borrower and guarantor, including all schedules (most recent 3 years)
- Compiled Business Financial Statements, if available (most recent 3 years)

PARTNERSHIPS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Business Financial Statements (most recent 3 years)
- Partnership Federal Income Tax Returns, including all schedules and K-1's (most recent 3 years)
- Personal Federal Income Tax Returns of each general partner, including all schedules and K-1's (most recent 2 years)
- Partnership Agreement

CORPORATIONS PLEASE PROVIDE THE FOLLOWING FINANCIAL INFORMATION:

- Corporate Financial Statements (most recent 3 years)
- Corporate Federal Income Tax Returns (most recent 3 years)
- Federal Income Tax Returns of each owner and all potential guarantors (most recent 2 years)
- Interim Corporate Financial Statement, if more than six months have elapsed since fiscal year end

A BANK PERSONAL FINANCIAL STATEMENT MUST BE COMPLETED, SIGNED AND DATED BY ALL OWNERS, GUARANTORS, AND PARTNERS AND SUBMITTED ALONG WITH THE REQUESTED FINANCIAL INFORMATION.

If you are unable to supply a particular document or piece of information, please attach an explanation as to why the item is missing.

For Loan Fund application, please provide the additional information:

1. Statement describing the purpose of the loan
2. History of the business
3. Schedule of term debts
4. Aging of accounts receivable and payable
5. Details of any leases
6. Amount of investment by owner
7. Projection of income, expenses, cash flow
8. Personal resumes