

The MSBDFA* Program-COVID-19 Emergency Relief Loan Fund Guidelines

Program Objective:

To provide financial relief to businesses that have experienced economic hardship due to the COVID-19 pandemic crisis. This will be accomplished with low interest rate and low documentation loans to eligible Maryland businesses.

Term Loans:

All loans will be in the form of term loans from \$25,000 to \$200,000. The term of the loans will be 5 years.

Interest Rate:

The interest rate will be 0% for the first 12 months and 2% for the remaining term of the loan.

Payments:

The loan will not require payments during the first 12 months. Equal principal and interest payments will begin in month 13 through month 60. There will be no pre-payment penalty.

Collateral:

No collateral or personal guaranties for loans of \$50,000 or less. Loans over \$50,000 will require personal guaranties. Loans of \$100,000 or more will require personal guaranties and a lien on the business assets.

Use of Funds:

Working capital to support payroll expenses, rent/mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of operations. Acquisition of equipment, vehicle, or facility improvements to adjust to the need to “change the way you do business” during and after the pandemic crisis.

Business Eligibility:

1. Must have been in business prior to January 1, 2019.
2. Owners must have a personal credit score of at least 550.
3. Principal place of business must be in Maryland.
4. Business must be in good standing with the state of incorporation and qualified to do business in Maryland if a foreign corporation.

Required Documentation:

The business must demonstrate financial stress or disrupted operations that were due to the COVID-19 pandemic crisis. Such evidence must include but will not be limited to:

1. Historical financial statements (balance sheet and income statement) or federal tax returns for 2018 and 2019.
2. One or more of the following:
 - a. An interim financial statement not older than May 31, 2020 (if available), or
 - b. Evidence that reflects the inability to pay rent, make loan payments, pay suppliers, or pay employees due to reduced revenue or suspended operations, or
 - c. Evidence of increased costs related to COVID-19 prevention measures, or
 - d. Evidence of disrupted supply network leading to shortage of critical inventory/materials, or
 - e. Other evidence of business disruption due to COVID-19 subject to review on a case by case basis.
3. Financial projections for the next 6 months.
4. Brief summary statement about the impact of COVID-19 on your business.

Ineligible Industries:

Non-profits
Financial and Insurance institutions
Gambling operations
Real estate investment companies
Real estate development companies
Massage parlors
Cannabis related businesses

How to Apply:

Beginning July 20, 2020, applications can be obtained and submitted on the Meridian Management Group, Inc. website, www.mmcapitalgroup.com. Hard copies of the application can be emailed to mmgdeal@mmcapitalgroup.com or mailed to:

Meridian Management Group, Inc.
826 E. Baltimore Street
Baltimore, MD 21202
Attn.: MSBDFA COVID-19 Fund

No application fees or commitment fees will be required. Applications will be processed on a first come, first served basis.

*** The Maryland Small Business Development Financing Authority (“MSBDFA”) is an agency under the Maryland Department of Commerce and is managed by Meridian Management Group, Inc. (“MMG”).**