



MERIDIAN MANAGEMENT GROUP, INC.

Presentation on Small Business Financing Programs

Maryland Small Business Development Financing Authority

“MSBDFA”

Under The Maryland Department of Commerce



Insight Into The Loan Process

- What Matters To A Lender?
 - 1. Knowledge of the business and industry
 - 2. Character
 - 3. Source of cash flow for repayment of a loan
 - 4. Collateral
 - 5. Investment from the business owner
 - 6. Quality of the information provided

Are You Prepared To Talk To A Lender?



- Can you tell your story?
- Always be honest
- What are your total project costs?
- How will you use the money?
- Term loan vs. Line of Credit
- How much should you ask for?



The Maryland Small Business Development Financing Authority

Assisting the financing needs of small, minority
and women-owned businesses in Maryland

“MSBDF A”

‘Serving the Underserved’



GENERAL QUALIFICATIONS

- Company's principal place of business must be in Maryland
- Company must be unable to obtain financing or bonding on reasonable terms from traditional lenders or commercial sureties
- Principals and managers must have adequate experience in the industry in which the financing is being sought
- Company must show ability to repay the loan – or claims paid under a bond
- Company and principals must display a history of financial responsibility
- Transaction must create economic impact for the state in terms of jobs and tax revenue



CONTRACT FINANCING

General Parameters

(Direct Loans and Loan Guarantees)

- Maximum Loan Amount: \$2,000,000
- Maximum Loan Guarantee: <90% of Loan or \$2,000,000
- Maximum Term of Loan: Term of Contract(s)
- Interest Rates: Prime – Prime + 2%
- Application Fees: \$250
- Other Requirements: Assignment of Contract Proceeds



LOAN GUARANTEES

General Parameters

- Maximum Loan Amount: < 80% of the Loan or \$2,000,000
- Maximum Term of Loans: 10 years
- Interest Rates: Conventional Lending Rates
(not to exceed Prime + 2%)
- Application Fees: Determined by Lender (nominal)
- Guarantee Fees: .75% - 1.5% of the Loan Amount



SURETY BONDING

General Parameters

(Direct Bonding and Bond Guarantees)

- Maximum Bond Amount: \$2,000,000
- Maximum Bond Guarantee: < 90% of the Bond or \$2,000,000
- Maximum Term of Bonds: Term of Contract
- Premium Rate: Generally 2% - 3% (Direct)
- Application Fees: \$250
- Guarantee Fee: .5% of the Bond Amount (Contractor)*
- Other Requirements: Assignment of Contract Proceeds

* 10%-20% of Surety's Premium



EQUITY PARTICIPATION INVESTMENT PROGRAM

General Parameters (Direct Loans or Equity Investments)

- Maximum Loan Amount: \$2,000,000
- Maximum Investment: \$2,000,000
- Maximum Term of Loan: 7 Years
- Interest Rates on Loans: Market Rate
- Rate of Return-Investments: 15% - 22% Annual Return
- Application Fees: \$500
- Other Requirements: 10% Equity Injection by Owner(s)



HOW TO APPLY FOR ASSISTANCE

Contact: Meridian Management Group, Inc.

In the Baltimore Metro Area:

826 E. Baltimore Street
Baltimore, Maryland 21202

Phone (410) 333-4270

Fax (410) 333-2552

In the Washington Metro Area:

1100 Mercantile Lane, Su. 115A
Largo, Maryland 20774

Phone (800) 248-1960

Fax (410) 883-6160

Applications and program summaries are available online at:

www.mmgroup.com