



Maryland Department of Housing & Community Development  
Division of Neighborhood Revitalization

Martin O'Malley  
Governor  
Anthony G. Brown  
Lt. Governor

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## Neighborhood BusinessWorks Loan Program Fact Sheet

### Purpose of the Program

The Neighborhood BusinessWorks program (NBW) provides a revitalization resource to help stimulate investment in Maryland's older communities. The NBW loans provide flexible gap financing to small businesses locating or expanding in locally designated neighborhood revitalization areas throughout the State.

### Eligible Applicants

- Maryland-based small businesses (small business as defined by the U.S. Small Business Administration)
  - Nonprofit organizations whose activities contribute to a broader revitalization effort and whose projects are intended to promote investment in commercial districts or town centers
- Note: Local governments are not eligible applicants.

### Amount of Financing Available

- \$25,000 - \$500,000
- Each project assessed for financial need, up to 50 percent of total project cost (Refinancing will not be considered part of the project cost.)

### Eligible Projects

- Retail businesses, including franchises
  - Manufacturing businesses
  - Service-related businesses
  - Mixed-use projects, consisting of a commercial or retail use at street level and no more than 12 residential units
- Note: Some restrictions apply. See Restrictions section which follows.

### Eligible Uses of Funds

- \* Market/planning/feasibility studies
- \* Real estate acquisition
- \* New construction or rehabilitation
- \* Leasehold improvements
- \* Machinery and equipment
- \* Working capital (when part of total project cost)
- \* Certain other costs associated with opening or expanding a small business

**Notes:** (1) A Minority Business Enterprise Plan is required for those projects where NBDP funds will exceed \$250,000 for construction or rehabilitation.  
(2) Construction projects are reviewed by this Department's offices of Maryland Historical Trust and Codes Administration prior to funding.

### Loan Terms

- Interest rate is below market, based on underwriter's analysis
- Loan term up to 15 years, depending on loan size and underwriting
- Minimum 5 percent applicant capital cash contribution is required (based on total project cost)
- Personal guarantees and collateral are required
- No prepayment penalties



The Maryland Department of Housing and Community Development (DHCD) pledges to foster the letter and spirit of the law for achieving equal housing opportunity in Maryland.

### **Criteria Considered**

- Project viability and potential
- Impact of the project on its neighborhood
- Significant exterior improvements
- First floor commercial or retail space use which generates street level activity
- Improvements to a vacant/underutilized building or site
- Introduction of needed goods or services to a neighborhood
- Creation of new jobs
- Readiness to proceed

### **Restrictions & Considerations**

Priority is given to projects that strengthen neighborhood commercial districts and are part of a greater revitalization strategy. The following types of projects and activities will not be considered for NBW financing:

- Speculative developments (All properties must be pre-leased for a minimum of 51% of the leasable space prior to loan closing.)
- Refinancing
- Residential or transient living facilities (other than mixed-use projects described in Eligible Projects section), e.g., multifamily or single-family housing developments, nursing homes, assisted living facilities, crisis care centers, group homes, transitional housing, and homeless shelters
- Facilities such as community halls, fire stations, hospitals, colleges, or universities
- Adult bookstores, adult video shops, other adult entertainment facilities, gambling facilities, gun shops, liquor stores, massage parlors, pawn shops, tanning salons, or tattoo parlors

### **Application**

A complete NBW loan application consisting of the items on the Required Documentation Checklist in the application package must be submitted before a project can be fully processed. If the application for funds is approved, additional documentation will be necessary to close the loan.

### **For Additional Information**

Please contact:

Michael J. Haloskey III  
Director Business Lending Programs  
Phone: 410-514-7237 Email: [Haloskey@mdhousing.org](mailto:Haloskey@mdhousing.org)  
Maryland Department of Housing and Community Development  
Neighborhood BusinessWorks Program  
100 Community Place  
Crownsville, Maryland 21032  
Phone: 410-514-7237 Fax: 410-514-7925  
<http://www.neighborhoodrevitalization.org/Programs/NBW/NBW.aspx>  
MD Relay for the Deaf: 1-800-735-2258

### **Employment Opportunities**

As part of Maryland's continuing efforts to provide successful Welfare-to-Work opportunities, the Department of Housing and Community Development encourages Neighborhood Business Development Program applicants to make jobs available to Temporary Cash Assistance recipients. For further information on how to reach these resources, please contact the Department of Human Resources, Office of Work Opportunities at 410-767-7976 or the Department of Labor, Licensing and Regulation, Office of Employment Training at 410-767-2800 or the Maryland Job Service at

410-767-3416. Maryland also maintains a job bank on the internet at <https://mwe.dllr.state.md.us/JobSeeker/JobSeekerHome.asp>

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
NEIGHBORHOOD BUSINESSWORKS PROGRAM  
100 Community Place  
Crownsville, MD 21032  
410-514-7288  
FAX 410-514-7925

**APPLICATION FOR LOAN FUNDS**  
(Please Print or Type)

Applicant: \_\_\_\_\_  
Address: \_\_\_\_\_  
Address (continued): \_\_\_\_\_  
Telephone No. (Home): \_\_\_\_\_ Cell: \_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**PROPOSED PROJECT**

Loan Amount Requested: \_\_\_\_\_  
Name of Business: \_\_\_\_\_  
Address of Business: \_\_\_\_\_  
Address (continued): \_\_\_\_\_  
County \_\_\_\_\_ Present zoning classification: \_\_\_\_\_  
If change is needed, what zoning classification is required? \_\_\_\_\_  
Type of Business: \_\_\_\_\_

Please check the category below which best describes your project:

- \_\_\_\_\_ Establishing a new business in a revitalization area
- \_\_\_\_\_ Expansion of an existing business currently located in a revitalization area
- \_\_\_\_\_ Relocation of an existing business into a revitalization area
- \_\_\_\_\_ Other type of revitalization project

Please provide a brief explanation of your project plans: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
APPLICATION FOR LOAN FUNDS**

**Sources & Uses:** Itemize how you plan to fund this project

**Breakdown of total project costs by funding source:**

| (A)<br>Use of Funds                              | (B)<br>Total<br>Costs | (C)<br>NBW<br>Request | (D)<br>Other<br>Lender(s) | (E)<br>Applicant's<br>Contribution |
|--|-----------------------|-----------------------|---------------------------|------------------------------------|
| Building/Site Acquisition                        | \$                    | \$                    | \$                        | \$                                 |
| Building Construction/<br>Expansion/Improvements | \$                    | \$                    | \$                        | \$                                 |
| Pre-Development Costs                            | \$                    | \$                    | \$                        | \$                                 |
| Furniture, Fixtures, Equipment                   | \$                    | \$                    | \$                        | \$                                 |
| Inventory  | \$                    | \$                    | \$                        | \$                                 |
| Start-up Costs                                   | \$                    | \$                    | \$                        | \$                                 |
| Working Capital                                  | \$                    | \$                    | \$                        | \$                                 |
| Other (explain)                                  | \$                    | \$                    | \$                        | \$                                 |
| <b>TOTAL PROJECT:</b>                            | \$                    | \$ *                  | \$                        | \$ **                              |

\*Not to exceed 50% of total project costs.

\*\*Minimum of 5% of total project costs.

**Existing businesses need to provide the following information:**

Name of Business: \_\_\_\_\_

Business Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Phone No.: \_\_\_\_\_ Business No.: \_\_\_\_\_ Fax (if applicable): \_\_\_\_\_

Federal I.D. No.: \_\_\_\_\_

**Existing and start-up businesses need to provide the following information:**

**Collateral:**

Please identify collateral securing the loan: \_\_\_\_\_

Value of Collateral: \$ \_\_\_\_\_

Collateral Value is: \_\_\_\_\_ Appraised \_\_\_\_\_ Estimated

Collateral Deeded to/owned by: \_\_\_\_\_

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
APPLICATION FOR LOAN FUNDS**

**All Applicants need to provide the following information:**

Current number of employees: \_\_\_\_\_

Additional employees anticipated to be hired after loan: \_\_\_\_\_

Are lawsuits pending against you or your company? \_\_\_\_\_

If yes, please explain on a separate sheet of paper.

Have you or your business declared bankruptcy? \_\_\_\_\_

If yes, please explain on a separate sheet of paper.

Do you have any outstanding liabilities with the State of Maryland? \_\_\_\_\_

(e.g., income taxes, sales taxes, payroll withholding taxes, unemployment taxes, or other penalties and fines) If so, please explain on a separate sheet of paper.

To the best of my knowledge or belief, do you have friends or family members that are employed at DHCD?      **Yes**      **No**      **If yes, please explain relationships:**

To the best of my knowledge or belief, have you ever employed or contracted with individuals who have friends or family members employed at DHCD?      **Yes**      **No**  
**If yes, please explain relationships:**

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
APPLICATION FOR LOAN FUNDS**

The undersigned authorizes the Department of Housing and Community Development (the "Department") to make such inquiries as necessary, including, but not limited to, credit inquiries in order to verify the accuracy of the statements made by the applicant and to determine the creditworthiness of the applicant.

In accordance with Executive Order 01.01.1983.18, the Department advises you that certain personal information is necessary to determine your eligibility for financial assistance. Availability of this information for public inspection is governed by Maryland's Access to Public Records Act, State Government Article, Section 10-611 et seq. of the Annotated Code of Maryland (the "Act"). This information will be disclosed to appropriate staff of the Department or to public officials for purposes directly connected with administration of this financial assistance program for which its use is intended. Such information may be shared with State, federal or local government agencies, which have a financial role in the project. You have the right to inspect, amend, or correct personal records in accordance with the Act.

The Department intends to make available to the public certain information regarding projects recommended for reservation of funds by the Neighborhood Business Development Program. The information available to the public will include the borrower's name; the name, location, and description of the project; and the amount of financial assistance. This information may be confidential under the Act. If you consider this information confidential and do not want it made available to the public, please indicate that in writing and attach the same to this application.

The Department desires to disclose information about your project to the Maryland General Assembly or other State officials or their staff, local government officials or their staff, other lenders and funding sources, and small business technical advisors. Such information may include your name; the name, location, and description of your project; the date and amount of financial assistance awarded by the Department; the terms of your financial assistance, including interest rate, repayment obligation, use of funds, and security interest taken; and the sources, amounts, and terms of other funding used to complete your project, including your capital contribution. This information may be confidential under the Act. If you do not want this information made available to the above-referenced parties, you must attach to this application your written objection. You agree that not attaching an objection constitutes your consent to the information being made available to the above-referenced parties and a waiver of any rights you may have regarding this information under the Act.

**I have read and understand the above paragraph. Applicant's Initials:** \_\_\_\_\_

Anyone who knowingly makes, or causes to be made, any false statement or report relative to this financial assistance application for the purposes of influencing the action of the Department on such application shall be subject to criminal prosecution, a fine of up to \$50,000, and/or imprisonment of up to five years.

The undersigned hereby certifies that the development proposed in this application can be accomplished in accordance with the development budget set forth herein and further certifies that the information set herein and in any attachments in support hereof is true, correct, and complete to the best of his/her knowledge and belief.

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Authorized Signature

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Type Name and Title

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Date

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
APPLICATION FOR LOAN FUNDS**

**PERSONAL FINANCIAL STATEMENT**

Complete this form for (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any other person or entity providing a guaranty on the loan.

Name: \_\_\_\_\_ Business Phone: \_\_\_\_\_

Residence Address: \_\_\_\_\_ Residence Phone: \_\_\_\_\_

City, State & Zip Code \_\_\_\_\_

Business Name of Applicant/Borrower: \_\_\_\_\_

| ASSETS   |    | LIABILITIES  |    |
|--|----|--|----|
| Cash on hand and in bank                           | \$ | Accounts Payable   | \$ |
| Savings Account                                    | \$ | Notes Payable to Banks and Others<br>(Describe in Section 2) | \$ |
| IRA or Other Retirement Account                    | \$ | Installment Account (Auto)<br>Monthly Payments               | \$ |
| Accounts and Notes Receivable                      | \$ | Installment Account (other)                                  | \$ |
| Life Insurance-Cash Surrender Value                | \$ | Mortgages on Real Estate<br>(Describe in Section 4)          | \$ |
| Stocks and Bonds                                   | \$ | Unpaid Taxes<br>(Describe in Section 6)                      | \$ |
| Real Estate<br>(Describe in Section 4)             | \$ | Other Liabilities<br>(Describe in Section 7)                 | \$ |
| Automobile-Present Value                           | \$ | Total Liabilities  | \$ |
| Other Personal Property<br>(Describe in Section 5) | \$ | Net Worth  | \$ |
| Other Assets<br>(Describe in Section 5)            | \$ | Total  | \$ |
| Total  | \$ |  |    |

| Section 1. Sources of Income   |    | Contingent Liabilities           |    |
|--------------------------------|----|----------------------------------|----|
| Salary                         | \$ | As Endorser or Co-Maker          | \$ |
| Net Investment Income          | \$ | Legal Claims & Judgments         | \$ |
| Real Estate Income             | \$ | Provision for Federal Income Tax | \$ |
| Other Income (Describe below)* | \$ | Other Special Debt               | \$ |

**Description of Other Income in Section 1.**  
 \_\_\_\_\_  
 \_\_\_\_\_

\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards total income.

**Section 2. Notes Payable to Bank and Others (Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)**

| Name and Address of Noteholder(s) | Original Balance | Current Balance | Payment Amount | Frequency (Monthly, etc.) | How Secured or Endorsed Type of Collateral |
|-----------------------------------|------------------|-----------------|----------------|---------------------------|--|
|                                   |                  |                 |                |                           |  |
|                                   |                  |                 |                |                           |  |
|                                   |                  |                 |                |                           |  |
|                                   |                  |                 |                |                           |  |

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
APPLICATION FOR LOAN FUNDS  
PERSONAL FINANCIAL STATEMENT**

**Section 3. Stocks and Bonds.** (Use attachments if necessary.) Each attachment must be identified as part of this statement and signed.

| Number of Shares | Name of Securities | Cost | Market Value Quotation/Exchange | Date of Quotation/Exchange | Total Value |
|------------------|--------------------|------|---------------------------------|----------------------------|-------------|
|                  |                    |      |                                 |                            |             |
|                  |                    |      |                                 |                            |             |
|                  |                    |      |                                 |                            |             |

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachments, if necessary. Each attachment must be identified as a part of this statement and signed.)

| Type of Property                    | Property A | Property B | Property C |
|-------------------------------------|------------|------------|------------|
| Name and Address of Title Holder    |            |            |            |
| Date Purchased                      |            |            |            |
| Original Cost                       |            |            |            |
| Present Market Cost                 |            |            |            |
| Name and Address of Mortgage Holder |            |            |            |
| Mortgage Account Number             |            |            |            |
| Mortgage Balance                    |            |            |            |
| Amount of Payment per Month/Year    |            |            |            |
| Status of Mortgage                  |            |            |            |

**Section 5. Other Personal Property and Other Assets.** (Describe and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment, and, if delinquent, describe delinquency.)

**Section 6. Unpaid Taxes.** (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

**Section 7. Other Liabilities.** (Describe in detail.)

**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies, name of insurance company, and beneficiaries.)

WARNING: Anyone who knowingly makes, or causes to be made, a false statement or report relative to this loan application for the purpose of influencing the action of the Department on such application, shall be subject to criminal prosecution, a fine of up to \$50,000, and/or imprisonment of up to five years.

I hereby certify that the foregoing figures and the statements contained herein, submitted to obtain a loan from the Neighborhood Business Development Program in the Maryland Department of Housing and Community Development, are true and give a correct showing of my financial condition as of this date.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Social Security Number: \_\_\_\_\_



**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
REQUIRED DOCUMENTATION CHECKLIST**

This documentation is required for all loans requested from the Neighborhood BusinessWorks Program. Complete information is necessary to evaluate and underwrite your request.

**A. APPLICATION**

- \_\_\_\_\_ 1. Cover letter summarizing the proposed project.
- \_\_\_\_\_ 2. Completed application form (pages 2 through 5 of this packet).

**B. PERSONAL**

- \_\_\_\_\_ 3. Personal financial statement (pages 6 & 7 of this packet), signed and dated, for each individual and/or partner with any ownership stake in the business.
- \_\_\_\_\_ 4. U. S. Individual Tax Returns with all attachments for past three (3) years for each individual and/or partner with any ownership stake in the business.
- \_\_\_\_\_ 5. Resume stating related business experience of individual owners, partners and/or managers.
- \_\_\_\_\_ 6. Evidence of at least a 5% capital contribution (e.g., cash contribution, purchase of inventory, equipment, etc.) from the applicant. Documentation must include evidence of method of payment.
- \_\_\_\_\_ 7. Three (3) months bank statements on all personal accounts

**C. BUSINESS**

- \_\_\_\_\_ 8. A business plan stating use of funds and plans for repayment.
- \_\_\_\_\_ 9. U. S. Corporate or Partnership Tax returns, as applicable, with all attachments for past three (3) years.
- \_\_\_\_\_ 10. A copy of the commitment letters from all participating lenders. As this is a gap-financing program, **other project funding must first be sought from other sources before applying.**
- \_\_\_\_\_ 11. Evidence of the amount of funding committed from any other private and non-State public sources to the project, as applicable.
- \_\_\_\_\_ 12. List of outstanding business loans, including balances and payment amounts. If not applicable, provide a statement that no other loans exist.
- \_\_\_\_\_ 13. Interim financial statements (Profit & Loss statement, Monthly Cash flow

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
REQUIRED DOCUMENTATION CHECKLIST**

Statement and Balance Sheet) for the business (for the current year).

- \_\_\_\_\_ 14. Historical financial statements (Profit & Loss statements, Monthly Cash flow Statements and Balance Sheets) for the past three (3) years.
- \_\_\_\_\_ 15. Projected Profit & Loss statements and Monthly Cash flow Statements covering a period of three (3) years following submission of an NBW loan application.
- \_\_\_\_\_ 16. Copy of applicant's organizational documents, including by-laws, articles of incorporation, and operating agreement, if applicable.
- \_\_\_\_\_ 17. Three (3) months bank statements on all business accounts

**D. REAL ESTATE OWNED**

- \_\_\_\_\_ 18. Copies of deeds to real estate owned by applicant(s) - both personal and business (if offered as collateral).

**E. BUILDING/SITE**

- \_\_\_\_\_ 19. Evidence of site control (such as a copy of a deed, a purchase contract, a lease or option to buy).
- \_\_\_\_\_ 20. Digital photographs of the building or site provided on compact disc or via email. Photographs should include front and rear views of the property and a minimum of four interior views of space to be improved.
- \_\_\_\_\_ 21. A street map showing the location of the proposed project.

**F. CONSTRUCTION/REHABILITATION**

- \_\_\_\_\_ 22. Plans, specifications, budget (line items with estimated costs), and timetable for new construction or rehabilitation, if applicable. (If detailed plans and specifications are not yet available, applicant may submit preliminary design drawings of work to be completed).

**G. ADDITIONAL DOCUMENTATION REQUIRED AFTER CONDITIONAL APPROVAL**

- \_\_\_\_\_ 23. A local government resolution or letter from an authorized designee expressing support for the project and indicating project complies with local zoning. **(NOTE: NBW will request this from the local jurisdiction; however, a sample of the form is attached at the end of this packet for informational purposes.)**
- \_\_\_\_\_ 24. Real estate appraisal, if applicable.

**NEIGHBORHOOD BUSINESSWORKS PROGRAM  
REQUIRED DOCUMENTATION CHECKLIST**

- \_\_\_\_\_ 25. Copy of fire, hazard and/or liability insurance, as applicable.
- \_\_\_\_\_ 26. Construction contract and architect's agreement, if architect is used.
- \_\_\_\_\_ 27. Environmental questionnaire completed primarily by real estate owner and partially completed by an environmental company. Follow-up reports may be necessary if contamination is suspected.
- \_\_\_\_\_ 28. Copies of applicable leases (tenant-occupied buildings).
- \_\_\_\_\_ 29. Title insurance on real estate pledged as collateral.
- \_\_\_\_\_ 30. UCC searches on all entities and individuals.
- \_\_\_\_\_ 31. Minority Business Enterprise Plan if NBDP construction funds exceed \$250,000.
- \_\_\_\_\_ 32. Certificate of Good Standing for the business (required after approval)

Please list the following contacts along with addresses, telephone and FAX numbers and e-mail addresses:

Attorney (if applicable): \_\_\_\_\_

Title Company:

Accountant: \_\_\_\_\_

Bank Contact:

Please contact the Neighborhood BusinessWorks Program at 410-514-7245 or 410-514-7237 with questions regarding these application requirements.

**NOTE:** All items listed under **A through F** of this checklist must be submitted before a loan request can be processed. If the application for funds is approved, additional documentation to suit the particular project will be necessary before the loan can be closed and funded.

**SAMPLE (for information only)**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION** OF THE \_\_\_\_ (NAME OF GOVERNMENT BODY) \_\_\_\_ SUPPORTING MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, NEIGHBORHOOD BUSINESSWORKS PROGRAM FINANCING TO \_\_\_\_ (NAME OF APPLICANT) \_\_\_\_.

**WHEREAS**, the \_\_\_\_ (name of government body) \_\_\_\_ is interested in promoting the revitalization of our community by encouraging the development and/or expansion of for-profit and nonprofit small businesses; and

**WHEREAS**, \_\_\_\_ (name of applicant) \_\_\_\_ applied to the Neighborhood BusinessWorks Program for financing to \_\_\_\_ (describe project) \_\_\_\_ at \_\_\_\_ (address of project) \_\_\_\_; and

**WHEREAS**, this project is located in a State-approved locally designated revitalization area and conforms to the local zoning code; and

**WHEREAS**, the regulations of the Neighborhood BusinessWorks Program require that all projects receiving financing be approved and supported by the appropriate governing body of the locality in which the project is situated; now, therefore,

**BE IT RESOLVED** that the \_\_\_\_ (name of government body) \_\_\_\_ hereby endorses the financing to \_\_\_\_ (name of applicant) \_\_\_\_; and

**BE IT FURTHER RESOLVED** that copies of this Resolution be sent to \_\_\_\_ (Local Chief Elected Official) \_\_\_\_ and to Dawn Medley, Director, Neighborhood BusinessWorks Program at the Maryland Department of Housing and Community Development, 100 Community Place, Crownsville, MD 21032.

Read and Passed this \_\_\_\_ (day) \_\_\_\_ Day of \_\_\_\_ (month) \_\_\_\_, \_\_\_\_ (year) \_\_\_\_.

I hereby certify that this Resolution is true and correct and duly adopted by \_\_\_\_ (name of government body) \_\_\_\_.

[ Insert authorized signatures and titles ]