

No Interest Loan Program

MARYLAND SMALL BUSINESS NO-INTEREST LOAN PROGRAM

The Maryland Department of Business and Economic Development (DBED), in consultation with the Maryland Department of Veterans Affairs (MDVA), is currently accepting applications for no-interest loans via the **Military Personnel and Service-Disabled Veterans No-Interest Loan Program** for the following categories:



- A business owned by a military reservist or a National Guard member called to Active Duty.
- A Small Business that employs a military reservist or National Guard member called to Active Duty.
- A Service-Disabled Veteran.
- A business that employs a Service-Disabled Veteran.

The purpose of the program is to provide financial assistance to disabled veterans and activated members of the armed forces reserves and Maryland National Guard and to small businesses that employ members of the armed forces reserves or Maryland National Guard members that are called to active duty.

Loan Amount: Loans range from \$1,000 to \$50,000.

Terms: Loan maturity will be from one year to eight years. The loan repayment period usually will not exceed the useful life expectancy of the equipment to be purchased.

Interest Rate: No interest

For more information, eligibility details about the program and to obtain an application, please visit www.mdva.state.md.us/state/employment.html#mrlp or contact

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MILITARY PERSONNEL AND SERVICE-DISABLED VETERANS NO-INTEREST LOAN PROGRAM

FACT SHEET

Program Description: The Military Personnel and Service-Disabled Veterans No-Interest Loan Program is administered by the Department of Business and Economic Development (the “Department”), in consultation with the Maryland Department of Veterans Affairs (“MDVA”). The Program was established in 2006 to assist (i) military reservists and National Guard members called to active duty, (ii) service-disabled veterans, and (iii) businesses that employ or are owned by such persons. Please see “Eligible Applicants” and “Uses of Funds” below to determine eligibility for this program.

Purpose: For businesses owned by military reservists and National Guard members called to active duty, and for small businesses that employ such persons, the purpose of the Program is to assist with identifiable costs that result from the call to active duty. For service-disabled veterans, businesses owned by service-disabled veterans, and businesses employing service-disabled veterans, the purposes of the Program are (a) to assist with the cost of making the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities, and (b) to defray other necessary expenses incurred (i) by the employer of a service-disabled veteran, as a result of the veteran’s disability, or (ii) by a service-disabled veteran or a business owned by a service-disabled veteran.

Eligible Applicants:

1. Businesses owned by military reservists and National Guard members called to active duty, and small businesses (fewer than 50 employees) that employ them.
2. Service-disabled veterans and businesses that employ them or are owned by them. A service-disabled veteran seeking assistance with modifying a home or automobile must first apply for and receive a final determination of eligibility for assistance from the U.S. Department of Veterans Affairs under the Home Modification Program or the Automobile and Special Adaptive Equipment Program.

The MDVA and Department will review each loan application on a case-by-case basis. The application should be submitted to MDVA at the address provided below. Once MDVA determines that an applicant is eligible and the intended use of the loan proceeds is eligible under the Program, the application will be forwarded to the Department. The Department will review the application to determine whether it meets the Program’s financial and other criteria for loan approval.

Use of Funds – reservist or National Guard member called to active duty: Funds must be used for payment of identifiable costs of the business that result from the call to active duty. The loan may be made at any time from the date of the call to active duty through the period ending six months after the end of the individual’s active duty.

Use of Funds - service-disabled veteran: Funds must be used either (i) for the acquisition of equipment that has an anticipated useful life in excess of one year and helps make the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities, or (ii) for the payment of other necessary expenses, as determined by MDVA. Eligible expenses for equipment may include:

- Computers, printers and related peripherals
- Software
- Fax machines
- Scanners
- Office machines (e.g., calculators)
- Telecommunication devices
- Office furniture
- Home modifications for accessibility and/or to create home offices
- Motor vehicle modification for drivers with disabilities
- Assistive technology
- Machinery
- Any other accessibility equipment approved by MDVA

The eligible expenditure for equipment may include the cost of training needed to use the equipment, maintenance agreements and extended warranties for the equipment, and the cost to install telecommunications systems necessary for use of the equipment (e.g. telephone, DLS, internet hookup cost).

Documentation of Disability: The Department requires written documentation of disability for a service-disabled veteran. The documentation may be a disability benefits award letter, a written statement from a professional or agency acceptable to the Department and MDVA, or other appropriate form. **These documents must be submitted with the application.**

Loan Amount: Loans range from \$1,000 to \$50,000.

Terms: Loan maturity will be from one year to eight years. The term of a loan used to purchase equipment usually will not exceed the useful life expectancy of the equipment to be purchased.

Interest Rate: No interest

Collateral: Guarantees and collateral may be required.

Deadline for Loan Closures: When the Department approves a loan, the applicant must close the loan within 90 calendar days of the date of approval. Applicants who have not closed their loan within the 90-day period may be required to re-apply to the Department for approval.

Address for Applications: An application for the Military Personnel and Service-Disabled Veterans No-Interest Loan Program may be downloaded from the following website: <http://www.mdva.state.md.us/employment.html#mrlp>, or may be obtained by mail from the address below. All applications should be submitted to:

Maryland Department of Veterans Affairs
Jeffrey Building, 4th floor, 16 Francis St.
Annapolis, Maryland 21401
Attention: Jerry Boden, Chief of Staff
(410) 260-3841