Agriculture Resilience Transition Facility

Applicant Guide & Program Overview

Affordable Financing for Climate-Resilient Farms

Montgomery County Green Bank

1. About the Agriculture Resilience Transition Facility

The **Agriculture Resilience Transition Facility (ARTF)** is a new loan program from the **Montgomery County Green Bank (MCGB)** designed to help farmers in Montgomery County's Agricultural Reserve finance investments that improve climate resilience, operational sustainability, and long-term farm productivity.

The program represents the next phase of MCGB's Climate-Smart Agriculture Initiative and its first dedicated resilience lending product for the agricultural sector. It builds on nearly two years of farmer engagement, grant-funded demonstration projects, and market research showing strong demand for affordable, flexible financing.

2. Why ARTF?

Montgomery County farmers are increasingly facing drought, extreme heat, flooding, changing growing conditions, pest pressures, and rising operating costs.

Many farmers are interested in adopting climate-smart practices and purchasing resilience-focused equipment, but smaller projects can be difficult to finance through conventional agricultural loan products because transaction costs can be high relative to loan size, collateral may be limited or specialized, cash flows are seasonal, and applicants may need support assembling a financeable package.

MCGB's market assessment identified approximately $1.4 million in potential unmet demand for agricultural resilience financing. Equipment financing emerged as the highest-priority need, and farmers identified affordability, flexible repayment terms, and support navigating the financing process as important considerations.

The ARTF was created to help close that gap.

3. Program Benefits

Affordable Financing

- Fixed 4% interest rate
- Loan amounts from $5,000–$50,000

- Up to 10-year repayment
- Up to 12 months interest-only, where justified
- Quarterly payments, with transaction-specific seasonal flexibility where justified

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Flexible Repayment

- Repayment schedules designed around seasonal farm cash flow.

Financing Readiness

- Applicants receive support preparing complete financing packages before underwriting.

Local Program

- Designed specifically for Montgomery County farms.

Loan Terms

Loan Amount	$5,000–$50,000
Interest Rate	4% Fixed
Loan Term	Up to 10 Years
Interest Only	Up to 12 Months, Where Justified
Payments	Quarterly; Seasonal Flexibility Where Justified
Maximum Financing	75% Project Cost
Borrower Equity	Minimum 25%

Loan Amount	$5,000–$50,000
Origination Fee	1% of Committed Loan Amount

4. Who Can Apply?

Eligible applicants may include:

- Sole proprietorships
- Partnerships
- Corporations
- Nonprofit agricultural organizations
- Limited liability companies engaged in agricultural production

Applicants must:

- Operate an eligible agricultural business in Montgomery County
- Have been in business continuously for at least three years
- Have documented experience in the applicable crop or agricultural activity
- Be in good standing with the State of Maryland
- Maintain a business bank account
- Provide required personal guarantee(s); principal-owner guarantors are generally required to have a minimum FICO score of 680
- Satisfy MCGB's credit and underwriting requirements, including no reported tax liens, judgments, or bankruptcies

Meeting the basic eligibility requirements does not guarantee financing. All applications are subject to independent MCGB underwriting and credit approval.

5. What Can Be Financed?

ARTF financing may support the acquisition of eligible equipment and related implementation costs necessary to install, commission, or place the resilience investment into service, including site preparation, installation, engineering, electrical upgrades, and similar directly associated expenses.

Eligible investments may include:

Water Management and Irrigation

- Drip irrigation systems
- Pumps
- Water storage tanks
- Soil-moisture sensors
- Water-conservation systems
- Irrigation installation and related site work

Climate-Smart Production Infrastructure

- High tunnels and hoop houses
- Shade structures
- Frost-protection systems
- Season-extension infrastructure
- Site preparation and installation

Soil Health and Conservation

- Compost spreaders
- No-till equipment
- Seed drills
- Cover-crop equipment
- Erosion-control improvements

Energy Resilience

- Solar-powered pumps
- Battery storage
- Energy-efficient agricultural equipment
- Electrical upgrades
- Installation and commissioning

Cold Storage and Food Preservation

- Walk-in coolers
- Refrigerated storage
- Produce washing and packing equipment
- Associated infrastructure improvements

Farm Equipment

- Compact tractors
- Utility vehicles
- Specialized agricultural implements
- Equipment that improves operational efficiency or supports resilient farming practices

Nature-Based Solutions (if associated equipment or infrastructure):

- Native plantings
- Riparian buffers
- Rain gardens
- Pollinator habitat
- Flood- and erosion-control measures

Innovative Resilience Technologies

- Agrivoltaic systems
- Other technologies that advance climate adaptation, operational resilience, or long-term farm sustainability

All proposed investments must demonstrate a clear connection to climate resilience and operational sustainability and must fit within the approved ARTF loan range and underwriting requirements. The standard ARTF product is \$5,000–\$50,000; larger resilience opportunities may be evaluated separately through another MCGB financing approach or transaction-specific approval.

6. Application Process

How the Program Works

Step 1. Apply Online

Applicants submit information about their farm, proposed investment, financing request, operations, financial capacity, and expected resilience benefits through the QV Nexus application platform.

Step 2. Receive Financing-Readiness Support

Quantified Ventures helps applicants understand program requirements, assemble documentation, and prepare a complete financing package.

Step 3. MCGB Underwriting and Credit Review

MCGB independently reviews each application and evaluates:

- Repayment capacity
- Historical and projected cash flow
- Debt-service coverage
- Project costs and borrower equity
- Collateral and guarantees
- Project feasibility
- Overall credit risk

Step 4. Loan Closing and Disbursement

Approved applicants complete loan documentation, security agreements, guarantees, and other closing requirements before funds are disbursed.

Step 5. Project Implementation and Monitoring

Borrowers implement the approved investment, make scheduled repayments, and provide financial and impact information throughout the life of the loan.

QV supports application intake, financing readiness, document collection, initial due diligence, and preparation of a standardized recommendation memo. MCGB retains sole responsibility for independent underwriting, credit decisions, loan documentation and closing, servicing, and portfolio management.

7. Required Documentation

Documents Applicants Should Be Prepared to Provide

Depending on the borrower and project, required documentation may include:

- Completed loan application
- Three years of business tax returns
- Three years of personal tax returns
- Year-to-date balance sheet and income statement
- Schedule of existing debt
- Vendor or contractor quotes
- Evidence of borrower equity
- Business formation documents
- Proof of property ownership or authority to install the improvements
- Insurance documentation
- Personal credit information
- Information needed to evaluate collateral and personal and/or corporate guarantees, as applicable

MCGB may request additional information during underwriting.

Program Partners

Montgomery County Green Bank

MCGB provides the loan capital and retains sole responsibility for independent underwriting, credit approval, loan documentation and closing, servicing, and portfolio management.

Quantified Ventures

Quantified Ventures supports application intake through QV Nexus, financing readiness, document collection, initial due diligence, and preparation of a standardized recommendation memo for MCGB.

Montgomery County Food Council

The Montgomery County Food Council supports community outreach, farmer engagement, program awareness, and connections to Montgomery County agricultural stakeholders.

8. Frequently Asked Questions

Is this a grant?

No.

ARTF provides affordable loans.

Can installation costs be financed?

Yes.

What projects qualify?

Projects that improve:

- Climate resilience
- Operational sustainability
- Farm productivity

How long does approval take?

Once a complete application has been submitted, MCGB will begin underwriting. Timing depends on the complexity of the project and completeness of the application.

Why quarterly payments?

Quarterly payments are the standard structure, with transaction-specific seasonal flexibility where justified by documented agricultural cash flow.

Does meeting the eligibility requirements guarantee approval?

No. Every loan is subject to MCGB's independent underwriting and credit approval process.

Could the program expand in the future?

The initial implementation is intended to validate borrower demand, portfolio performance, operating efficiency, and measurable resilience outcomes. Any future expansion or additional capitalization would be based on program performance and subject to MCGB approval.