

## Child Care Revolving Loan Fund – Additional FAQs

**Q:** I am not licensed currently or I have a license for my existing location but want to buy a second location that will not be licensed initially. Can I still apply for the loan?

**A:** Yes. You can apply and applications for new providers and additional locations will be evaluated on a case-by-case basis. You are encouraged to contact the licensing authority to ensure any acquisition that you are considering will qualify for licensure as a child care facility before making a purchase.

**Q:** I want to buy an existing facility or build a new facility. Who long will it take to get the new facility licensed?

**A:** An individual who acquires a new property may have to wait for up to a year to be fully licensed due to state and local zoning requirements, code enforcement, fire marshal inspection, etc. A new build will take even longer because the facility must be built and then licensed. Please check with the licensing authority before buying or building a new facility. Some locations, such as strip malls for example, are not suitable for child care centers because there isn't an area outside for a playground.

**Q:** I do not own my home or business. Can I still qualify for a loan?

**A:** Yes. You will need to have proof that your lease will be in effect for the five-year loan repayment period. If you want to borrow more than \$50,000, you will need to collateralize the loan using another property that is owned, not leased. For example, you lease a center but own your home so your home could be used as collateral if you wanted to borrow more than \$50,000 to make improvements to the center.

**Q:** Do I have to submit all my receipts once the project is completed?

**A:** No, however, you are subject o a random audit and if you are audited, you will need to provide all receipts as requested.

**Q:** How will anyone know if I used the money to complete the project that I requested a loan for?

**A:** You need to sign a document at the end of the loan application attesting to completing the project you requested a loan for. You are also subject to a random audit and will need to supply proof of completion if you are audited.

Q: Can the loan be used to expand my driveway so my child care parents have a place to park?

A: Yes as long as you can justify that the driveway needs to be expanded due to limited parking and the need for parents to have a parking place to safely drop off their child or children.

Q: Can I use the loan to build a deck, outdoor patio, fence or playground to expand my child care's outdoor play space?

A: Yes as long as the project provides outdoor recreation for the child care facility.

Q: What is considered a hardship if I cannot repay the loan within 5 years?

A: A hardship could be as drastic as a fire or pandemic resurgence that closes the child care facility or as simple as you had a contract with a family that had to relocate to another state so you lost the income from that child or children. A hardship IS NOT you borrowed more money than you can afford to repay.

Q: Are there any samples available for an interim or 5-year profit and loss statement or a simple financial statement?

Q: Do all my documents need to be uploaded into the application portal?

A: Yes. Documents that are required as part of the application have to be uploaded into the portal and cannot be mailed or emailed.

Q: Can I use the loan to purchase a vehicle to transport children to school or activities?

A: No. The statute establishing the Child Care Revolving Loan Fund does not include loans for vehicles, only child care facility acquisition, expansion, renovation or new build.

Q: I completed the first step of the application and I have not received my password. What should I do?

A: Please make sure that the username you used to register does not contain any spaces, commas or special characters. If you need additional assistance, please email [childcare.commerce@maryland.gov](mailto:childcare.commerce@maryland.gov).

Q: I have problems accessing, completing or submitting my application. Where can I get assistance?

A: All application questions can be emailed to [childcare.commerce@maryland.gov](mailto:childcare.commerce@maryland.gov).

Q: Can I use the loan to buy new furniture?

A: Yes if the furniture is used for the child care facility.

Q: I owe outstanding state or federal taxes. Can I still qualify for a loan?

A: No. Providers must be licensed and in good standing with the Comptroller and the Internal Revenue Service in order to qualify for a loan. Providers cannot obtain a loan from the fund to pay outstanding state/federal personal or business taxes. Additionally, a loan from the Fund cannot be used to pay off existing loans (including EIDL and PPP loans) and credit card debt.

EXCEPTION – Providers who are on a tax repayment program and are current on their payments may qualify for a loan. Please be advised that your outstanding tax liability cannot be repaid from your loan proceeds and should be disclosed as outstanding debt on your loan application.