

THE LENDER'S ADVANTAGE

October 2012

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SBA BALTIMORE DISTRICT OFFICE

Priming the Lending Pump for Small Business: SLA 2.0

SBA prides itself on opening more doors to more dollars in every community, creating an American economy built to last. Expanding access to capital and opportunity is critical to fulfilling SBA's mission—especially in underserved communities. Knowing that we can do more, SBA is constantly working to remain responsive to the needs of small business owners and the lenders who serve them daily.

Studies have shown the importance of low dollar loans to small business formation and growth in underserved communities. However, low-dollar loans can be costly to lenders - processing a \$50,000 loan costs nearly as much as processing a \$1 million loan with less profit. Last year, in an effort to encourage more small-dollar lending in underserved communities, SBA rolled out a new program called Small Loan Advantage

(SLA). The program simplified the application process for 7(a) loan up to \$250,000. SLA offered lenders the opportunity to invest in neighborhoods hardest hit by the recession—putting more loans into the hands of small businesses and entrepreneurs through a faster, streamlined process.

Today, taking into account feedback from our lending partners, SBA is re-launching the Small Loan Advantage program as SLA 2.0. SLA 2.0 makes it even easier to process low dollar 7(a) loans by expanding the pool of lenders to include entities outside of our PLP lenders. We also increased the loan limit for the program to \$350,000, lining it up with our other loan products. These changes allow banks to use their own documentation underwriting process. Further, the SBA will credit score each loan in advance of approval which enables us to better manage the



Jeanne Hulit
Associate Administrator
SBA Office of Capital Access

agency's risk, while ensuring an efficient process. This creates a win-win situation for lenders and communities—establishing a streamlined process that reduces lender transaction cost and increases access to capital for small businesses and entrepreneurs in underserved communities.

Today, small business optimism is at its highest level since 2008 and we see the recovery taking hold where we need it the most, on the Main Streets of America.

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SBA District Director's Desk:

Happy New Fiscal Year!

It was a good year for SBA loans. We, the SBA staff, our resource partners and the small businesses, want to say to you, the lenders, whether you did a large number of SBA deals or just one or two, thank you. Every SBA deal whether large or small makes an impact in the community, the state and the country. Small businesses with access to capital are able to grow, expand and drive the economy forward. If you want to be one of our top 10 lenders and you would like to get some additional training or just want to meet let me know.



*Stephen D. Umberger
District Director, Baltimore*

M&T Bank is the top 7a lender, with Business Finance Group as the top 504 lender.

FYI:

Small Business Assistance: Jerry Carlisle is the current SCORE



*Jerry Carlisle
Maryland District
Director SCORE*

Maryland District Director who works with the seven Chapters in the District: Greater Baltimore Chapter 003, Southern Maryland (Annapolis) Chapter 390, Upper Shore (Chestertown) Chapter 670, Mid-Shore (Easton) Chapter 626, Lower Shore (Salisbury) Chapter 298, Hagerstown Chapter 539 and Frederick County (Frederick) Chapter 632.

The Maryland District 373 includes all counties in the state of Maryland with the exception of Montgomery and Prince George's counties which are affiliated with the Greater Washington DC District.

Jerry has been a SCORE volunteer for seven years serving with the Southern Maryland Chapter as Mentor, Vice Chair and Chair. He currently co-leads three monthly business roundtables with existing business owners primarily focusing on growing sales and profits.

Jerry's business experience includes 26 years at Scott Paper Company including positions as Financial Controller at three different locations (Delaware, New York and Maine Operations Sites) and as Manager of Financial Systems Development (US and International Sites). The last 6 years of his business career were at First USA Bank in Vendor Management leading the development of comprehensive metrics and of integrated management processes between the bank and a key vendor. He has a MBA degree from the University of Delaware.

SCORE mentors are working and retired executives and business owners who donate their time and expertise. Mentors deliver FREE and confidential advice for your business needs. Whether you are a start-up or an existing business, our mentors will help you reach

customers and achieve your goals. In addition to free and confidential mentoring, SCORE conducts general and specialized workshops for nominal charges.

For information contact Jerry at jerry.e.carlisle@gmail.com.

If you know a business owner, in any part of Maryland, who needs counseling or assistance, have them contact either the SBDC at 877-787-7232 and www.mdsbdc.umd.edu or SCORE, at 800-634-0245 and www.score.org for "FREE" one on one business consulting assistance.

Upcoming Events:

October 30, 2012 - Interagency Small Business Lending and Affordable Housing Sussex County Delaware - **Free** 8:30am -12:00. Meet and hear from the FDIC, OCC, SBA, USDA, HUD and others at this free interactive event. Delaware State University, Bank of America Building, 1200 N. DuPont Highway - Room 309, Dover, DE 19901. To register click [Register](#) or for any questions contact: Donna M. Lippi (FDIC) 917-320-2725

November 9, 2012 - SBA 7a and 504 Sessions at BWI Marriott - **Free**

SBA 7a Loan Session – Learn about the different US Small Business Administration 7a loan programs and acquire the knowledge to help your borrowers. Special emphasis during this session will be given to the new Small Loan Advantage program with its streamlined process. Is the borrower a startup or short on collateral? You may be able to help them with a 7a loan. The SBA guaranteed maximum loan is \$5 million.

SBA 504 Session – Learn about the US Small Business Administration's best kept secret, the 504 loan program for owner occupied commercial real estate. The lender is in the first lien position for only 50% of the deal.

Location: BankNext Expo 2012: BWI Marriott 1743 West Nursery Road, Linthicum MD 21090
Free registration information at email banknext@thearrengroup.com

November 16, 2012 - The Maryland SBTDC would like to invite you to the "Second Annual Export Conference" at the University of Baltimore 8:00am-5:00pm \$99 fee. If you are a lender, manufacturer, wholesaler, or advanced technology (Bio-Tech/Cyber/IT/Energy) company, then you definitely don't want to miss this invaluable opportunity to expand your market!

Attendees will have access to:

- Foreign Market Entry Strategies
- Freight Forwarder Connections
- International Resource Partners
- Prime Contractors
- Strategic Networking Opportunities Conference

Location: Merrick School of Business, 11 W. Mt. Royal Avenue, Auditorium & Atrium, Baltimore, MD 21201. Register at 410-837-4928 or go to www.centralmdsbdc.org, click on Training

Baltimore District Office Lender Rankings: October 1, 2011—September 30, 2012

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
MANUFACTURERS & TRADERS TR CO	204	24,021,100
SUSQUEHANNA BANK	9	14,667,000
SANDY SPRING BANK	37	12,899,000
TD BANK, NATIONAL ASSOCIATION	8	8,350,000
CECIL BANK	3	7,415,000
SUNTRUST BANK	13	5,479,800
WELLS FARGO BANK NATL ASSOC	11	5,389,400
HOWARD BANK	19	4,805,000
ACCESS NATIONAL BANK	1	4,000,000
REGAL BANK & TRUST	1	3,703,900
MONEY ONE FCU	2	3,575,000
THE COLUMBIA BANK/FULTON BANK NATL ASSOC	7	3,190,000
PNC BANK, NATIONAL ASSOCIATION	13	3,023,200
HANA SMALL BUS. LENDING INC.	2	2,750,000
BORREGO SPRINGS BANK, N.A.	5	2,572,400
NOAH BANK	1	2,560,000
REPUBLIC 1ST BK D/B/A REP. BK	1	2,500,000
BRANCH BK. & TR CO	22	2,143,800
MID-ATLANTIC FCU	1	1,840,000
BANK OF AMERICA NATL ASSOC	7	1,785,000
CITIBANK, N.A.	1	1,720,000
HAMILTON BANK	3	1,580,000
WILSHIRE STATE BANK	4	1,568,000
THE BANCORP BANK	3	1,537,000
BNB BANK, NATIONAL ASSOCIATION	1	1,450,000
HANMI BANK	1	1,235,000
PACIFIC CITY BANK	5	1,140,000
SEVERN SAVINGS BANK, FSB	3	980,000
NBRS FINANCIAL BANK	3	900,200
1ST MARINER BANK	1	900,000
NORTHWEST SAVINGS BANK	4	860,000
SPIRIT OF TEXAS BANK, SSB	4	815,000
MIDCOAST COMMUNITY BANK	1	600,000
U.S. BANK NATIONAL ASSOCIATION	1	500,000
SQUARE 1 BANK	1	500,000
EASTON BANK AND TRUST COMPANY	1	500,000
THE PATAPSCO BANK	3	375,000
NEW WINDSOR STATE BANK	1	350,000
CAPITAL BANK NATL ASSOC	1	350,000
NCB, FSB	1	350,000

Baltimore District Office Lender Rankings: October 1, 2011—September 30, 2012

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
PRINCE GEORGE'S COMMUNITY FCU	1	320,000
FIRST FINANCIAL BANK	2	311,000
CAPITALSOURCE BANK	1	302,000
INDUSTRIAL BANK	1	300,000
WILMINGTON SAVINGS FUND SOCIET	1	240,000
SIGNAL FINANCIAL FCU	2	160,000
ANNE ARUNDEL ECONOMIC DEVELOP.	2	155,000
CARROLLTON BANK	2	150,000
SOVEREIGN BANK NATL ASSOC	4	137,000
FNB BANK, INC.	2	115,000
WOODSBORO BANK	1	65,000
RBS CITIZENS NATL ASSOC	3	60,000
CAPITAL ONE NATL ASSOC	1	50,000
POINT BREEZE CU	1	50,000
HEBRON SAVINGS BANK	1	36,600
SUPERIOR FINANCIAL GROUP, LLC	1	7,500
Total 7a	436	\$137,338,900

<u>504 CDC</u>	<u># Loans</u>	<u>Amount</u>
BUSINESS FINANCE GROUP, INC.	37	26,397,000
CHESAPEAKE BUS. FINAN CORP	19	22,342,000
MID-ATLANTIC BUS. FINAN CO	3	1,249,000
PRINCE GEORGE'S CNTY FINAN SER	1	382,000
Total 504	60	\$50,370,000

Total 7a and 504 496 \$187,708,900

Baltimore District Office Lender Rankings: October 1, 2011—August 31, 2012

<u>3rd Party 504 Lender Name</u>	<u># Loans</u>	<u>Amount</u>
State Empl CU of Maryland Inc	2	6,750,000
Severn Savings Bank, FSB	4	4,798,707
Bank of America, National Association	4	4,265,875
OBA Bank	2	3,500,000
Manufacturers and Traders Trust Company	7	3,343,396
CFG Community Bank	1	3,221,039
Wells Fargo Bank, National Association	1	3,150,000
Old Line Bank	1	2,900,000
Frederick County Bank	2	2,827,317
Virginia Heritage Bank	1	2,625,000
Susquehanna Bank	2	2,505,000
Mid-Atlantic FCU	2	2,281,500
Sandy Spring Bank	3	2,190,332
Carrollton Bancorp	3	1,850,000
Regal Bank & Trust	2	1,796,650
PNC Bank, National Association	3	1,693,224
EagleBank	1	1,600,000
CNB	1	1,600,000
Branch Banking and Trust Company	3	1,554,127
Congressional Bank	1	1,172,500
Premier Bank, Inc.	1	1,079,000
New Windsor State Bank	1	960,000
MVB Bank, Inc.	1	750,000
Northwest Savings Bank	1	700,000
Sonabank	1	680,000
Capital One, National Association	1	654,925
Bay Bank, FSB	1	601,500
Hebron Savings Bank	1	555,000
1st Mariner Bank	1	267,500
County First Bank	1	150,000
Total 3rd Party 504	56	\$62,022,592

These 3rd Party 504 lender numbers are only through August 31, 2012. I will provide an update when the total YTD, September 30, 2012 numbers become available.

More Training for Small Business Owners

The SBA is also participating with our resource partners at SCORE and/or the Small Business Technology Development Center (SBTDC) on a couple of workshops. Good information for your small business clients.

November 7, 2012, Educational Seminar for Small Businesses and Those Who Aspire to Begin a Business –Free 3:30 pm-5:30 pm. at the Cambridge Library, 303 Gay Street, Cambridge, MD 21613. Registration: Contact Ed French at frenchoe@aol.com with name and contact information including address and phone number. For more information call 443-521-3569.

November 27, 2012, The Reality of Small Business Lending in Today's Economy - \$25 fee 5:30pm-8:00 pm. at the Delaplaine Center, 40 S. Carroll Street, Frederick, MD 21701 Registration: Go to www.scorefrederick.org , in the left hand column under Community Workshops click "read more". For more information call 240-215-4757.

Your Small Business Against the Competition

Through a generous donation of a license from the company SizeUp, a new tool will allow small businesses to better understand how they stack-up against the competition.

SBA has made available SizeUp, an online small business support service that can deliver customized business analysis to an unlimited number of businesses.

SizeUp provides data analysis in three key ways:

- Benchmarking an existing business to see how it sizes up by comparing performance to all other competitors in the same industry;
- Mapping competition to see where competitors, customers, and suppliers are located; and
- Finding the best places to advertise by choosing from pre-set reports to discover areas with the highest industry revenue and the most underserved markets. Custom demographic reports can also be created.

The SizeUp tool is available at www.sba.gov/sizeup.

All SBA programs and services are extended to the public on a nondiscriminatory basis.

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Follow the SBA on:



Helping small businesses start, grow and succeed

So You Want To Grow Your Business

For Your Small Business Owner,

Your business has already succeeded in the most competitive market on the planet – the USA – so just imagine what you can do abroad. In foreign markets, you will find fewer competitors and you start with a significant advantage: consumers around the world trust the words “Made In America.”

There are free resources to help your business begin exporting, provided by the US government. To discover what is available, visit www.export.gov.

There, you can connect to counselors, market matchmakers, and banks. You can also learn how U.S. government export insurance, working capital loans, and foreign buyer financing can protect you and your bank from transaction risk. Export.gov helps you access the experience of successful exporters, who will show you:

- How to manage the risk of doing business overseas
- Which markets and trade partners to select
- Where to secure capital on favorable terms
- How to design your website for international business

Did you know that small businesses already account for more than a third of all America’s export sales? Today more than ever, overseas markets are business-friendly, ready to pay, and well-connected by technology.

Seize the opportunity of a vastly larger market for your product with the resources found on www.export.gov.