

THE LENDER'S ADVANTAGE

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SBA BALTIMORE DISTRICT OFFICE

Help On The Way For New Business' Capital Needs

Morgan State University's Entrepreneurial Assistance Development Center (EDAC) and the ECDC Enterprise Development Group (EDG) are teaming up to help small businesses get the loans they need.

EDAC's Omar Muhammad and EDG's Kevin Kelly believe this joint effort will give newly established businesses, as well as those that are less than two years old, a better chance at accessing vital loan capital. Start-ups and newer businesses generally have a harder time accessing loan capital from traditional sources. As a result of the partnership, small sized loans, which are also difficult to obtain in the current economic climate will also

be featured. Both agencies hope this effort to match small businesses, in need of loans, with EDG's loan products, will help start new businesses, expand existing business and create jobs in Baltimore. EDG loan staff will be at the offices of EDAC at Morgan State University on the last Thursday of each month.

EDG offers microenterprise loans of \$500 up to \$50,000, as well as SBA guaranteed loans of \$50,000-\$250,000.

A certified Community Development Financial Institution (CDFI), Small Business Administration Microloan Intermediary, and Community Advantage Lender, Arlington, Virginia based EDG serves entre-



*Kevin Kelly, Managing Director
Enterprise Development. Group*

preneurs throughout the Baltimore/ Washington, DC area and has made over 800 loans worth almost \$15 million during its history.

Prospective clients should contact Morgan State's Yvette Racks at (443) 885-3663. Appointments will be set for specific times, between 11:00 and 3:00 the last Thursday of every month.

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District Director's Desk:

We only have one month left in the fiscal year, and we are on track for another good year of SBA lending. Please take a look at the lender's list. If you're not a top lender already, but want to be, give us a call. I want to wish you and your clients a great end of fiscal year.

M&T Bank is in the lead as the top 7a lender, with Business Finance Group as the lead 504 lender. The leader for the 3rd Party 504 Lending is SECU.



*Stephen D. Umberger
District Director, Baltimore*

FYI:

*Fred Miller
SCORE Counselor*

Small Business Assistance: With the addition of Fred Miller, the Mid-Shore Chapter of SCORE, the Small Business Administration-affiliated volunteer organization, that mentors and supports small businesses, is expanding its service to Cambridge and Dorchester County.

Fred Miller formed a consulting business after retiring as VP, global sales and VP, travel industry relations from **Marriott International, Inc.**, where he managed global sales offices, general sales agents, and reservations centers in Europe, Middle East, Africa and/Asia/Pacific. He has served as national sales manager with **Holiday Inn and with Renaissance Hotel Group and Stouffer Hotels** managing leisure and business travel sales, revenue management, and reservations. He is a Certified Travel Counselor and Certified Travel Industry Executive. Fred was on the boards of Tourism Cares, National Business Travel Association and Travel Industry Association of America. He is past chairman of the Institute of Business

Travel Management and past president of President of the NBTA Allied Council. He was named NBTA's Allied Member of the year and received the Marriott Profit Innovator Award and the Lifetime Achievement Award from the ASTA.

According to Ed French, SCORE's assistant director, Maryland's Eastern Shore, "Fred has a unique and substantial background with depth and breadth in management and entrepreneurial leadership."

There is never a fee associated with SCORE's mentors. It is an advisory service that aspires to challenge and support businesses as they start or grow their businesses through the unpaid efforts of volunteers who do not have a conflict of interest. SCORE volunteers collaborate with other supporting agencies including the Small Business Development Center, Chambers of Commerce, Economic Development Councils, the Eastern Shore Entrepreneurship Center, Maryland Capital Enterprises, local banks, and others who are in support of new and expanding businesses. The Dorchester team has business experiences that include start-ups with no revenues and successful experience operating small, mid-size, and large organizations.

Fred Miller can be reached at fred@goeaston.net.

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 <http://www.mdsbdc.umd.edu/> or SCORE, at 800-634-0245 and <http://www.score.org/index.html> for "FREE" one on one business consulting assistance.

Upcoming Events:

October 3, 2012 Baltimore SCORE Chapter Annual Luncheon

The Greater Baltimore SCORE Chapter Annual Luncheon will be held in Baltimore at the Radisson Hotel at Cross Keys on Wednesday October 3, from 11:30 AM until 2:00 PM.

The program will feature keynote speaker Ken Yancey, CEO of SCORE National, and attended by SCORE partners and counselors that are supporting your clients in our region.

Sponsorship opportunities are available to make your active support of the small business community visible to our membership and partners. For more information email us at baltimore.score@verizon.net, or call Mike McShea at 410-215-2523.

SCORE Baltimore is dedicated to entrepreneur education and the formation, growth and success of Maryland's small businesses. Baltimore SCORE provides free and confidential business mentoring tailored to meet the needs of startup and existing small businesses.

October 30, 2012 - Interagency Small Business Lending Roundtable in Sussex County Delaware 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. Registration details to follow.

November 16, 2012 - *The Maryland Small Business Development Center would like to invite you to our "**Second Annual Export Conference**" at the University of Baltimore - Merrick School of Business. 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

To Register 410-837-4928 or go to www.centralmdsbdc.org, click on Training at top of page.

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

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
MANUFACTURERS & TRADERS TR CO	191	22,649,100
SUSQUEHANNA BANK	9	14,667,000
SANDY SPRING BANK	36	12,799,000
CECIL BANK	3	7,415,000
TD BANK, NATIONAL ASSOCIATION	7	5,355,000
SUNTRUST BANK	11	5,117,800
WELLS FARGO BANK NATL ASSOC	10	4,849,400
HOWARD BANK	18	4,755,000
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, N.A.	7	3,190,000
HANA SMALL BUS. LENDING INC.	2	2,750,000
BORREGO SPRINGS BANK, N.A.	5	2,572,400
PNC BANK, NATIONAL ASSOCIATION	11	2,563,200
NOAH BANK	1	2,560,000
REPUBLIC 1ST BK D/B/A REP. BK	1	2,500,000
BRANCH BK. & TR CO	20	1,908,800
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
EASTON BANK AND TRUST COMPANY	1	500,000
SQUARE 1 BANK	1	500,000
THE PATAPSCO BANK	3	375,000
CAPITAL BANK NATL ASSOC	1	350,000
NCB, FSB	1	350,000
NEW WINDSOR STATE BANK	1	350,000

Baltimore District Office Lender Rankings: October 1, 2011—August 31, 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
CARROLLTON BANK	2	150,000
SOVEREIGN BANK NATL ASSOC	4	137,000
FNB BANK, INC.	2	115,000
RBS CITIZENS NATL ASSOC	3	60,000
ANNE ARUNDEL ECONOMIC DEVELOP.	1	55,000
CAPITAL ONE NATL ASSOC	1	50,000
HEBRON SAVINGS BANK	1	36,600
SUPERIOR FINANCIAL GROUP, LLC	1	7,500
Total 7a	410	\$131,009,900

<u>504 CDC</u>	<u># Loans</u>	<u>Amount</u>
BUSINESS FINANCE GROUP, INC.	35	25,128,000
CHESAPEAKE BUS. FINAN CORP	17	20,702,000
MID-ATLANTIC BUS. FINAN CO	3	1,249,000
PRINCE GEORGE'S CNTY FINAN SER	1	382,000
Total 504	56	\$47,461,000

Total 7a and 504 466 \$178,470,900

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

Is The Lender Export Ready?

For all you lenders out there that are not taking advantage of SBA's Export Loan Guarantee programs (Export Express, Export Working Capital and International Trade Loan), this is a reminder of the many reasons to do so.

1. You are missing out on hundreds of thousands of dollars in assets you could be financing (ask all you commercial customers "do you export"?)
2. Inventory and receivables for "Indirect" exports qualify
3. You demonstrate a greater ability to assist customers leading to greater customer retention
4. All three programs carry a 90% guarantee (AR advance rates as high as 90%)
5. Both export and domestic AR can be used as collateral
6. Term loans for export related fixed assets and real estate can go out to 10 years and 25 years respectively
7. You can refinance under these programs
8. There is a robust secondary market for term loans with premiums reaching 14%

To take advantage of these programs, please contact Bill Houck, Regional Manager and International Trade Finance Specialist at the US Export Assistance Center in Arlington, VA., 202-557-4063. Express lenders not currently signed up to do Export Express loans need to contact Edward Knox to be recommended for Export Express status.

If you have any questions, please contact Edward Knox, Lead Lender Relationship Specialist and District International Trade Officer at the SBA Baltimore District Office.

Examples of Lender Risks

1. high real estate LTVs,
2. collateral gaps,
3. low net worth,
4. projection-based debt repayment,
5. borrower's with a high percentage of revenues from a few customers,
6. turnaround refinances,
7. high risk industries,
8. fast growing companies,
9. business acquisition/transition financing,
10. partner buyouts,
11. highly leveraged transactions,
12. export financing, etc.

Why take risks on a conventional basis when a 75%-90% SBA guarantee can allow you to protect your commercial loan portfolio

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

Edward Knox

Lead Lender Relations Specialist

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Follow the SBA on:



Helping small businesses start, grow and succeed

SBDC Helps Technology Businesses Avoid ‘Valley of Death’



Ralph Blakeney
Maryland SBDC

The Maryland SBDC specialized technology program was launched in 2003 and since then, it has provided special support services to more than 140 seed, early stage and startup high tech companies in the form of in-depth, long-term consulting, training, outreach, and other direct support services. Small businesses helped through the program were able to collectively obtain more than \$5.2 million in grants. The program has also helped small businesses develop strategic plans to commercialize their products or services.

This March, the Maryland SBDC was awarded the High Tech Center accreditation, becoming one of only nine SBDCs in a national network that is comprised of more than 63 SBDCs. The new designation was due in part to the work of Ralph Blakeney who has served as the SBDC technology manager since 2003.

“The mission of the SBDC’s technology program” says Blakeney “is to provide assistance to technology companies during the most critical phase of their development. The stage is known as the “valley of death,” and refers to the part of the high tech business life cycle between concept and commercialization where many high tech businesses fail. Services include helping entrepreneurs determine the feasibility of their idea, assistance with transferring technology from federal labs and universities, and identifying sources of financing. “Many technology companies don’t realize that the federal government has funds available to assist them in various stages of product development, said Blakeney.

For information on this “no cost assistance” Ralph can be reached at 301-403-8300 or rblakeney@mdsbdc.umd.edu .