

THE LENDER'S ADVANTAGE

October 2011

Volume 3, Issue 10

SBA BALTIMORE DISTRICT OFFICE

Under New 504 Refi Guidelines, Equity Helps Borrowers get \$\$\$

The Small Business Administration has announced revisions to its 504 Debt Refinance program, allowing borrowers to finance up to 90 percent of the property's current appraised value. This allows borrowers with more than 10 percent equity to be able to obtain additional proceeds to pay for eligible business expenses.

This is a major change in the regulations because the small business owner may be able to refinance not only existing debt but, more importantly, use excess equity to obtain working capital that can be used for financing of eligible business expenses, such as salaries, rent, utilities, inventory, and other

obligations of the business, forward up to 18 months after the date of the loan application..

Such financing will be available only if the amount of cash that will be provided as a result of the refinancing exceeds the amount to be paid to the lender of the Qualified Debt.

Another change, unlike the traditional 504 Loan Program, the 504 Debt Refinance loan with the Third Party lender can be less than 50% of the property value but must be at least as much as the 504 loan.

The SBA 504 refinance program is only for businesses that can demonstrate that their loans are current and that they have suc-



cessfully made all required payments under original or modified bank terms.

There is a new, independent appraisal required for all projects.

Existing 504 projects and government-guaranteed loans are not eligible to be refinanced.

If You've Got An Outstanding Client, Let the SBA (and World) Know

Any individual or organization may submit nominations for the 2012 Small Business Person of the Year, Champion Awards or other special SBA Small Business Week Awards.

All nominations are due in the U.S. Small Business Administration's Baltimore District Office by **Thursday, November 10, 2011**. Organizers expect to announce the winners by March 9, 2012. Awards will

be presented at the 28th Annual Maryland Small Business Week Awards Luncheon on Friday, April 13, 2012 at Martin's West, Woodlawn, Md. (save the date)

For questions or additional information, contact Rachel Howard at (410) 962-6195, Ext. 330 or by email at rachel.howard@sba.gov.

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District Director's Desk:**SBA Loan Numbers Climb in FY-2011: Over \$204 Million in Loans to Small Business in Maryland:**

The U.S. Small Business Administration closed out the best year in over 10 years as a result of the Small Business Jobs Act of 2010 and lenders using the SBA loan programs to put money into the hands of small businesses.



Stephen D. Umberger

District Director, Baltimore

In the Baltimore District, which serves the state of Maryland (except Prince George's and Montgomery counties), SBA had 615 loan approvals totaling more than \$204 million in fiscal year 2011. Lending numbers were up by 72 loans and approximately \$79 million over the previous fiscal year. The Baltimore District saw large increases in both 504 Certified Development Company loans, ending the fiscal year with 65 loans valued at a total of over \$45 million and 7a loans, ending the fiscal year with 550 loans valued at over \$158 million.

M&T Bank topped all SBA lenders in the Baltimore District with 234 loans totaling over \$21.4 million. Baltimore's top Certified Development Company (504 Loan Program) for the same period was Business Finance Group with 43 loans, valued at a total of \$25.9 million. SBA ranking is based on the total dollar value of SBA loans written and approved by the SBA between October 1, 2010 and September 30, 2011.

Turn to page 5 for details of our fiscal year end 2011 lending results.

FYI:

Small Business Assistance: SCORE volunteer counselors are ready and willing to help every small business achieve success. Business counseling is free of charge and you may return as many times as needed—the best business bargain available. We will connect you with a mentor who has successfully navigated the world of business.



One of those mentors is Marvin W. Schnitzer, retired, former Chairman / CEO Hillen Tire & Rubber Corp. [t/a Hillen Tire & Auto Service]. Originally started in 1917, by his father, Joseph. It is the oldest continually operating tire business in Baltimore. Later, with his brother Jerry, they expanded to six locations; plus two franchised transmission centers.

He attended Baltimore City College [high school], University of Baltimore, and the Johns Hopkins University McCoy College. Active in the Masonic fraternity, he served as Worshipful Master in 1967 of Amicable Lodge # 25 AF&AM, and later received the honorary degree of Knight Commander Court of Honor [KCCH] from the Scottish Rite. In 1980/81 he served as President of Temple Oheb Shalom, after serving for several years as a board member & officer.

He retired on Jan. 1, 2006, and at that point joined SCORE, Counselors to America's Small Business. Currently, he counsels 2 days per week, on Thursdays at the phone center at the SBA downtown office and on Fridays at the SBRC [Small Business Resource Center] at 1101 E. 33d Street, where he counsels/mentors start-up, and established small businesses. The website for the Greater Baltimore SCORE Chapter 3 is www.scorebaltimore.org

Marvin can be reached at: 410-962-2233 or 443-451-7160

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

Banking News:

From Herndon: The new OIC Tabs are now available to Lenders. The link is below. One of the good things about this new website is the search engine. If you are having difficulty navigating the site, please use the Search feature to find forms and specific information it works much like Google's search engine.

http://www.sba.gov/sites/default/files/files/OIC_TABS_NGPC_ni.pdf

Effective October 1, 2011 **ALL PLP and Express loans must be submitted via E-Tran.** Lenders will no longer be able to fax in an eligibility sheet and request a loan number. They will be required to use E-Tran. Free training is available September 22 via your computer and phone, see below for details.

Upcoming Events:

Monday October 17, 2011 9:00 AM-10:00AM on the CAPLine program. There have been significant changes made to this program. Please plan to call in to learn more from the experts on the program.

Call: 1-866-740-1260; pass code: 3030002

The next Maryland Commercial Lenders Association (MCLA) meeting is **Thursday, October 20th**, 8:30 am, The Center in Columbia. 9250 Bendix Rd N, Columbia, MD 21045. Please RSVP to Fran Hensen at fghensen@verizon.net.

\$10 dues collected at the door. Use Incubator/SBDC entrance on side

Going Global: 96% of the world's customers reside outside the United States.

As a follow up to the National Export Conference that was held in May, the Central Region presents this FREE workshop, discussing the benefits of exporting and tools to get the job done! A panel of experts will provide information on how their organization can assist in the exporting process, and answer important questions to assist small businesses going global. Whether your client is service based or product based, sole proprietor or an LLC, no matter the size global business is available now. Come learn and network with small businesses involved in exporting.

Are you ready to expand your knowledge of business beyond the national borders? Do you want to be able to help your export clients get to the next level? If so, this workshop is for you!

University of Baltimore - Thumel Business Center

11 W. Mt. Royal Ave - Auditorium

Baltimore, MD 21201

Questions: 410-837-4928

November 10, 2011, 8:30 a.m. - 12:30 p.m.

Free: Registration is required, click to register: <http://mdsbdc.ecenterdirect.com/Conferences.action>

April 13, 2012, Small Business Week Awards Luncheon at Martin's West, Woodlawn, Md.
(save the date)

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SBA Needs You to Nominate Your Outstanding Clients for Awards

For questions or additional information, contact Rachel Howard at (410) 962-6195, Ext. 330 or by email at rachel.howard@sba.gov

2012 Award Categories

- * Small Business Person
- * Entrepreneurial Success
- * Financial Services Champion
- * Home-Based Business Champion
- * Jeffrey Butland Family-Owned Business
- * Minority Small Business Champion
- * Small Business Exporter
- * Accountant Advocate* *Awarded locally only*
- * Veteran Small Business Champion
- * Women in Business Champion
- * Young Entrepreneur
- * Attorney Advocate* *Awarded locally only*

Baltimore District Office Lender Rankings: October 1, 2010—September 30, 2011

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
MANUFACTURERS & TRADERS TR CO	234	21,450,900
SUSQUEHANNA BANK	18	12,826,600
WELLS FARGO BANK NATL ASSOC	13	10,154,100
COMMERCEFIRST BANK	38	9,657,500
PNC BANK, NATIONAL ASSOCIATION	25	9,169,200
BRANCH BK. & TR CO	52	7,596,700
HAMILTON FEDERAL BANK	6	7,225,000
HOWARD BANK	24	6,663,500
SUNTRUST BANK	12	5,517,000
FIRST CHATHAM BANK	3	5,268,300
CITIBANK, N.A.	2	5,052,000
HOME LOAN INVEST BANK F.S.B.	1	5,000,000
ACCESS NATIONAL BANK	1	5,000,000
CAPITALSOURCE BANK	4	4,975,000
CONESTOGA BANK	2	3,340,000
FIRST UNITED BANK & TRUST	2	3,071,000
FIRST INTERCONTINENTAL BANK	4	2,987,000
LIVE OAK BANKING COMPANY	5	2,825,000
REGAL BANK & TRUST	2	2,825,000
CIT SMALL BUS. LENDING CORP	1	2,810,000
THE COLUMBIA BANK/FULTON BANK NATL ASSOC	7	2,469,700
UNITED CENTRAL BANK	2	1,786,000
PACIFIC CITY BANK	5	1,721,000
HEBRON SAVINGS BANK	8	1,485,000
MID-ATLANTIC FCU	3	1,399,000
EASTON BANK AND TRUST COMPANY	2	1,175,000
SANDY SPRING BANK	4	956,700
THE HARBOR BANK OF MARYLAND	1	850,000
BANKANNAPOLIS	1	800,000
COMPASS BANK	1	702,000
REPUBLIC 1ST BK D/B/A REP. BK	1	655,000
VIRGINIA COMMERCE BANK	1	630,000
U.S. BANK NATIONAL ASSOCIATION	1	563,500
STANDARD BANK, PASB	5	561,000
THE BANK OF DELMARVA	1	560,000
BANK OF AMERICA NATL ASSOC	5	550,000
NEW WINDSOR STATE BANK	2	525,000
TD BANK, NATIONAL ASSOCIATION	3	516,000

Baltimore District Office Lender Rankings: October 1, 2010—September 30, 2011

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
UNITED MIDWEST SAVINGS BANK	1	503,500
CELTIC BANK CORPORATION	1	458,000
NEWTEK SMALL BUS. FINANCE INC.	1	424,500
CECIL BANK	1	420,000
THE BANCORP BANK	1	408,500
BORREGO SPRINGS BANK, N.A.	10	405,000
THE PATAPSCO BANK	1	381,000
WOODSBORO BANK	1	375,000
COMMUNITY SOUTH BANK	1	363,000
RBS CITIZENS NATL ASSOC	2	350,000
EAGLEBANK	1	300,000
ANNE ARUNDEL ECONOMIC DEVELOP.	1	300,000
CIT BANK	1	264,000
PRINCE GEORGE'S COMMUNITY FCU	1	250,000
THE FOSTER BANK	1	240,000
REPUBLIC BANK & TRUST COMPANY	1	224,800
WASHINGTONFIRST BANK	1	200,000
STEARNS BK NATL ASSOC	1	200,000
(blank)	1	200,000
SPIRIT OF TEXAS BANK, SSB	1	200,000
CARROLLTON BANK	1	138,600
SUPERIOR FINANCIAL GROUP, LLC	11	135,000
COMMUNITY BANK OF TRI-COUNTY	1	120,000
SOVEREIGN BANK	3	95,000
ASHEVILLE SAVINGS BANK, S.S.B.	1	75,000
CITIZENS BANK OF PENNSYLVANIA	1	60,000
Total 7(a)	550	\$158,409,600

<u>Lender Name 504</u>	<u># Loans</u>	<u>Amount</u>
BUSINESS FINANCE GROUP, INC.	43	25,941,000
CHESAPEAKE BUS. FINAN CORP	18	15,442,000
MID-ATLANTIC BUS. FINAN CO	4	4,484,000
Total 504	65	\$45,867,000

Grand Total 615 \$204,276,600

Baltimore District Office Lender Rankings: October 1, 2010—September 30, 2011

<u>3rd Party Lender 504 Name</u>	<u># Loans</u>	<u>Amount</u>
Old Line Bank	2	8,735,771
Manufacturers and Traders Trust Company	11	8,610,368
Sonabank	1	5,324,000
Sandy Spring Bank	6	4,374,000
WashingtonFirst Bank	1	3,362,500
CommerceFirst Bank	7	3,337,500
PNC Bank, National Association	5	3,254,023
Hamilton Federal Bank	4	3,038,869
Bank of America, National Association	4	2,856,397
Essex Bank	1	2,813,143
Orrstown Bank	1	2,556,750
Virginia Heritage Bank	1	2,500,000
Centra Bank, Inc.	2	2,314,183
Premier Commercial Bank, National Association	1	1,910,000
The Columbia Bank	1	1,436,226
Community Bank of Tri-County	2	1,187,000
Northwest Savings Bank	1	900,000
Zions First National Bank	1	806,350
CFG Community Bank	1	700,000
Sovereign Bank	1	687,000
County First Bank	1	665,000
CNB	1	600,000
Hebron Savings Bank	2	579,250
Signal Financial FCU	1	550,000
1st Mariner Bank	1	477,000
New Windsor State Bank	1	461,000
Harbor Bankshares Corporation	1	412,500
The Talbot Bank of Easton, MD	1	340,000
Tower Bank, A Division of	1	268,000
Provident State Bank, Inc.	1	192,500
Grand Total 3rd Party 504 Loans	65	\$65,249,330

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

Follow the SBA on:



City Crescent Building
10 S. Howard Street, 6th Floor
Baltimore, MD 21201

Edward Knox
Lender Relations Specialist
Phone: 410-962-6195 ext 309
E-mail: edward.knox@sba.gov



Helping small businesses start, grow and succeed

Baltimore District Office SBA 7a and 504 Loans by County:

October 1, 2010—September 30, 2011

<u>Lender Name 7a</u>	<u># Loans</u>	<u>Amount</u>
BALTIMORE	107	49065800
ANNE ARUNDEL	116	34937800
BALTIMORE CITY	84	27955500
HOWARD	63	17785400
HARFORD	48	14642500
SAINT MARYS	12	11406000
FREDERICK	46	10273400
WASHINGTON	21	6652000
CARROLL	33	5144800
WICOMICO	14	3770000
GARRETT	5	3671000
CALVERT	9	3666000
QUEEN ANNES	8	3036000
CECIL	6	2605000
DORCHESTER	7	1859000
KENT	2	1859000
CHARLES	8	1613400
ALLEGANY	11	1201000
TALBOT	3	903000
WORCESTER	5	895000
SOMERSET	4	698000
CAROLINE	3	637000
Grand Total	615	204276600