

The Lender's Advantage

U.S. Small Business Administration



Your Small Business Resource

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In This Issue:

District Director's Desk.1
SBA Lending News.....1
FYI News2
Banking News2
Upcoming Events...2
Lender Rankings.....3-4

District Director's Desk:

March is here and I hope spring is not far behind. Funding continues to be a primary concern for Maryland's entrepreneurs. We are trying to find new ways to reach out and educate small business owners on the variety of SBA loan products available. Recently, we participated in the Maryland Chamber of Commerce's "speed dating" event which matched lenders and small business owners. Considering the tremendous snowfall, the event was well represented by both lenders and small business owners. If your organization is holding a similar event or if you would like someone from the SBA to speak at an upcoming event, please let us know.



*Stephen D. Umberger
District Director, Baltimore*

For more information on our office or programs, visit us on the web at www.sba.gov/md. While on the site, click on "Free SBA Newsletter" to sign up and receive general SBA information via email.

*The lead for **The Top Lender** in the Baltimore District changes again. See page 3 for details.*

SBA Lending News:

TOP REASONS FOR REPAIR AND DENIAL:

- 1. Lien and Collateral Issues that Result in Missed Recoveries (Generally a Repair)**
 - a. Failure to obtain required lien position
 - b. Failure to properly perfect security interest
 - c. Failure to fully collateralize loan at origination when additional collateral was available
- 2. Unauthorized Use of Proceeds**
 - a. Proceeds disbursed for purpose(s) inconsistent with the loan authorization or subsequent modifications without a business justification. (Could be a Denial if early default and improper use of proceeds caused the failure of the business)
 - b. Same lender Non-SBA loan paid with PLP loan proceeds (preference)
- 3. Liquidation Deficiencies (Generally a Repair unless harm is the full value of the outstanding balance)**
 - a. Failure to conduct Site Visit which resulted in missed recoveries

- b. Improper safeguarding or disposition of collateral which resulted in missed recoveries
- c. Misapplication of recoveries to lender's loan when SBA-guaranteed loan has lien priority

4. Undocumented Servicing Actions (Generally a Repair)

- a. Liens not properly renewed during servicing on worthwhile collateral
- b. Release or subordination of collateral without documented business justification
- c. Allowing hazard insurance to lapse on major collateral and collateral was subsequently destroyed
- d. Failure to maintain life insurance on principal and principal subsequently dies

5. Early Defaults (Denial if determined to be reason for business failure)

- a. Missing or unsupported verification of required equity injection (includes verification of source in some cases)
- b. Missing or unsupported documentation of verification of borrower financial information with IRS when financial information was relied on in lender's credit analysis

6. SBA Loan Eligibility (Denial)

- a. Ineligible franchise
- b. Ineligible loan purpose
- c. Ineligible loan recipient (loan to an associate of lender)

FYI News:

Small Business Assistance: Casey Wilson is currently the Retail Industry and Sustainability Programs Manager at the Lead Center of the Maryland Small Business Development Center (SBDC) Network at the University of Maryland in College Park. He brings almost 40 years of experience to bear in helping small businesses refine and promote their concepts to the public, while practicing sustainable and prudent business operations. Since 2005, he has presented more than 100 town meetings to 2500+ businesses across Maryland and meets with scores of small businesses throughout the state to provide confidential one-on-one counseling. The SBA has recently posted a video with Mr. Wilson on www.sba.gov, "Strategies for Growth," featuring his comments on small business in a changed economy. He can be reached at lwilson@mdsbdc.umd.edu. The link to that video is http://www.sba.gov/strategiesforgrowth/growth/STRATEGIES_PG_VIDEO2.html

If you have a business owner who needs assistance with marketing, management, loan preparation or general business counseling have them contact either the MD Small Business Development Center (SBDC) at 877-787-7232 and <http://www.mdsbdc.umd.edu/> or SCORE, Counselors to America's Small Business at 800- 634-0245 and <http://www.score.org/index.html> for "FREE" one on one business consulting assistance.

Banking News:

If you just recently became an SBA 7(a) lender or have been one for years you may want to consider signing up to become an SBAExpress and Patriot Express lender. Contact our office if you would like more information on the Express Programs or how to sign up. Also, please contact us for information on ETRAN (Electronic processing of loan information available to all lenders.)

Upcoming Events:

5/21/10: Mark your calendar for the *27th Annual Maryland Small Business Week Awards Breakfast*, Martin's West, Woodlawn, MD. Join the celebration as the Maryland winners of the 2010 Small Business Week Awards are honored. Event includes a trade show and networking opportunities. For more information or to register, visit the event website at <http://www.mdsbaawards.org>. This year's winners should be posted online on or around Wednesday, March 10, 2010.

Lender Rankings: October 1, 2009 - February 28, 2010

LENDER NAME	#LOANS	AMOUNT
COMMERCEFIRST BANK	13	7,947,000
MANUFACTURERS & TRADERS TR CO	53	5,612,500
BRANCH BK. & TR CO	18	3,275,800
PNC BANK, NATIONAL ASSOCIATION	5	2,400,000
SUSQUEHANNA BANK	11	2,339,000
WELLS FARGO BANK NATL ASSOC	8	2,306,400
SANDY SPRING BANK	3	1,574,000
FIRST FINANCIAL BANK	1	1,545,000
SUNTRUST BANK	12	1,342,300
WILSHIRE STATE BANK	1	1,325,000
MID-ATLANTIC FCU	1	1,300,000
NBRS FINANCIAL BANK	1	985,000
UNITED CENTRAL BANK	3	949,000
K BANK	5	910,000
ACCESS NATIONAL BANK	2	900,000
WILMINGTON SAVINGS FUND SOCIET	1	870,000
EAGLEBANK	1	785,000
SOVEREIGN BANK	5	717,000
MARYLAND BK & TR COMPANY NATL	1	702,000
WACHOVIA BANK NATL ASSOC	4	600,000
EASTON BANK AND TRUST COMPANY	1	600,000
NORTHWEST SAVINGS BANK	1	575,000
MONUMENT BANK	1	540,000
COMPASS BANK	1	500,000
COMMUNITY SOUTH BANK	1	466,000
ANNE ARUNDEL ECONOMIC DEVELOP.	9	424,900
HOWARD BANK	6	390,000
SPIRIT OF TEXAS BANK, SSB	2	375,000
TD BANK, NATIONAL ASSOCIATION	1	360,000
CENTRA BANK, INC.	1	350,000
CIT SMALL BUS. LENDING CORP	1	297,000
BANKANNAPOLIS	3	270,000
SUPERIOR FINANCIAL GROUP, LLC	22	227,500
THE COLUMBIA BANK	1	150,000
BORREGO SPRINGS BANK, N.A.	5	145,000
HEBRON SAVINGS BANK	1	116,000
WOODSBORO BANK	1	114,000
THE BUSINESS BANK	1	100,000
NEW WINDSOR STATE BANK	1	35,000
COLOMBO BANK	1	35,000
CAPITAL BANK NATL ASSOC	1	35,000
THE TALBOT BANK OF EASTON, MD	1	35,000
JPMORGAN CHASE BANK NATL ASSOC	1	35,000
Total 7(a)	213	\$44,560,400

Lender Rankings: October 1, 2009 - February 28, 2010

LENDER NAME	#LOANS	AMOUNT
504 Lender Name		
BUSINESS FINANCE GROUP, INC.	18	10,597,000
CHESAPEAKE BUS. FINANCE CORP.	8	3,768,000
MID-ATLANTIC BUS. FINANCE CO.	1	154,000
Total 504	27	\$14,519,000
Grand Total	240	\$59,079,400