



DATE: March 3, 2026

BILL: Senate Bill 920 – Small Business Increased Access to Capital Act

COMMITTEE: Finance

POSITION: FAVORABLE

TO: Chair Pamela Beidle, Vice Chair Antonio Hayes, and Members of the Senate Finance Committee

FROM: Dawn Medley, President & CEO, FSC First

RE: Testimony in Support of Senate Bill 920

Introduction

FSC First is a nonprofit Community Development Financial Institution (CDFI) dedicated to providing creative financing solutions to Maryland’s small businesses. As an eligible fund manager for the State’s Small, Minority, and Women-Owned Business Account (SMWOBA), funded through Video Lottery Terminal (VLT) proceeds, we administer capital to small, minority-, and women-owned businesses that face barriers to traditional financing.

The Necessity of Structural Alignment

Senate Bill 920 provides necessary clarification to the administrative framework of Maryland’s small business lending programs by authorizing the Department of Commerce to approve a management fee for eligible fund managers, subject to Department oversight and potential annual caps.

Managing public loan capital requires rigorous underwriting, compliance monitoring, portfolio servicing, reporting, and borrower technical assistance. These functions protect State resources and improve borrower success rates. Authorizing a management fee of 1.5% to 3% of loan principal, paid from SMWOBA and retained for administrative purposes related to lending activities, aligns the program with established fund management practices and ensures that eligible fund managers can sustainably administer these responsibilities.

Strategic Impacts of Senate Bill 920

Impact on FSC First:

The bill supports operational sustainability by allowing FSC First to recover the legitimate administrative and professional costs required to responsibly manage public capital. This ensures long-term program



viability while maintaining Department oversight authority, including the ability to establish an annual cap on cumulative management fees.

Impact on Borrowers:

Senate Bill 920 does not increase costs for small business owners. The management fee is paid from SMWOBA and is not passed on to borrowers. Interest rates, loan terms, and closing costs remain unchanged.

Impact on the State:

The bill strengthens Maryland’s lending ecosystem by supporting proper oversight and risk mitigation. Adequately funded administration allows for high-touch monitoring and technical assistance that reduces defaults and protects State capital. By formalizing an administrative structure within the program, SB 920 promotes responsible fund management while preserving capital to support future Maryland entrepreneurs.

Conclusion

For these reasons, FSC First respectfully requests a favorable report on Senate Bill 920.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dawn Medley". The signature is written in a cursive, flowing style.

Dawn Medley
President & CEO
FSC First