



SB 772 – Small Business COVID-19 Relief Act of 2021

**Senate Budget and Taxation Committee
February 9, 2021**

Support

The Maryland Bankers Association represents FDIC-insured community, regional and nation-wide banks that employ more than 26,000 Marylanders and have over 1,400 branches across our State. The Maryland banking industry serves about 6 million customers across the State and provides an array of financial services including business lending, residential mortgage lending, business banking, estates and trust services, consumer banking and more.

SB 772 would establish the Maryland COVID-19 Emergency Loan Program in the Department of Commerce to provide working capital to assist Maryland for-profit small businesses, disrupted due to COVID-19, and offer interim relief “complementing actions with those of businesses’ banks, business interruption insurance, and financial partners.” Maryland banks stand by their clients and communities and are committed to serving as a source of strength and stability, especially during times of need, such as the pandemic. Over the past year, MBA member banks, serving as economic first responders, immediately jumped into action to respond to the needs of homeowners, small businesses, customers and communities. MBA supports SB 772, which will provide additional, important relief to Maryland small businesses and nonprofits that continue to struggle during the pandemic.

MBA and MBA’s member banks have been actively involved in a variety of ways working with a number of stakeholders, including the U.S. Treasury, the Small Business Administration, federal agencies and banking regulators, Community Development Financial Institutions, business groups and more to help customers and business clients meet their current and financial developing needs. For example, in round one of the federal Paycheck Protection Program, a brand new small business grant program created by the Federal CARES package, Maryland banks immediately rolled up their sleeves to work round the clock with the Small Business Administration, Treasury and Maryland small businesses. The result – by August 8, small businesses and nonprofits, across Maryland, received over 86,000 forgivable loans totaling more than \$10 billion. Maryland banks deployed almost 90% of the PPP loans. These loans helped support more than 950,000 in Maryland and helped sustain the State's businesses and nonprofits. And this support and commitment from Maryland banks remains strong. In the first two weeks of PPP round two, 14,645 PPP round two loans have been made in Maryland worth \$1.45 billion. This is just one example of the ways Maryland banks are working to support small businesses, help the economy and support Maryland jobs and employment.

Maryland banks are hard at work helping Maryland businesses and nonprofits experiencing financial difficulty. MBA supports SB 772 that will create additional tools to help Maryland small businesses and nonprofits through these challenging times. MBA urges a favorable Committee Report.