

Hearing Before the Maryland Senate Finance Committee on Commercial Financing - Small Business Truth in Lending Act

Testimony of Don Cutwright, Senior Loan Officer, Baltimore Community Lending (BCL)

February 14, 2024

Chairperson Beidle, Ranking Member Kramer, and distinguished Members of the Committee, thank you for the opportunity to appear before you today. My name is Don Cutwright, and I am a Senior Loan Officer at Baltimore Community Lending (BCL). BCL is a Community Development Financial Institution (CDFI) located in Baltimore City with a dedicated mission to support the revitalization and strengthening of targeted neighborhoods through innovative and flexible financial resources. BCL's Small Business division provides loans, technical support, and training to startup and emerging small businesses located in Baltimore City, Baltimore, Howard, Harford, Carroll, and Anne Arundel County that do not have the collateral or face other barriers to qualifying for traditional loans.

I am testifying today because BCL frequently refinances high cost, non-transparent financing products obtained by our small business borrowers. Most of these small businesses are unaware of the actual APR for these products and they come to us for support because they are experiencing a strain on their cash flow as a direct result of this high-cost debt. You will hear from one of our amazing small business owner clients today who was able to refinance a high-cost merchant cash advance to stay afloat and rebuild her business finances. I am here today because we need to ensure that finance providers are disclosing the true cost of their products and setting Maryland business owners up for success. This would make it easier for lenders like

Baltimore Community Lending to meet our mission by connecting with borrowers at the time when they are ready to grow, rather than when they are at risk of shutting their doors. I urge you to stand with Maryland business owners by supporting this bill as introduced.