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—
Vice Chair
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Executive Nominations Committee

—
Joint Committees

Administrative, Executive, and
Legislative Review

Unemployment Insurance Oversight

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Thursday, March 27, 2025

**Testimony in Support of SB 1008 – Economic Development – Small Business Guaranty
Fund – Alterations**

Dear Chair Atterbeary and Members of the Ways and Means Committee,

I am writing to express my strong support for Senate Bill 1008, which seeks to strengthen the Small Business Guaranty Fund by expanding the financial instruments available to back guarantees and ensuring the state's commitment to fostering small business growth. This legislation is one of the priorities of the legislative black caucus and is a critical step in improving access to capital for Maryland's small businesses.

The Small Business Guaranty Fund plays a vital role in supporting small businesses by providing loan guarantees to entrepreneurs who may otherwise struggle to secure financing. SB 1008 enhances this program by allowing the guarantees to be backed by the full faith and credit of the State of Maryland. Additionally, the bill expands the types of financial instruments that can be used for guarantees, including irrevocable letters of credit, escrow accounts, and official treasurer's checks.

By implementing these changes, SB 1008 will:

- **Increase Lender Confidence** – By securing loan guarantees with the state's full faith and credit, financial institutions will have greater assurance in extending capital to small businesses.

- **Expand Funding Access** – The inclusion of multiple financial instruments provides flexibility, making it easier for businesses to secure necessary funding.
- **Support Economic Growth** – Strengthening the Small Business Guaranty Fund will empower entrepreneurs, promote job creation, and drive economic development throughout Maryland.

This legislation represents a strategic investment in our small business community and ensures that Maryland entrepreneurs have the resources they need to thrive. I urge the committee to issue a favorable report on Senate Bill 1008.

Thank you for your consideration.

Respectfully,



Senator Antonio L. Hayes
40th Legislative District – MD