

Testimony in Support of House Bill 798
Small Business Increased Access to Capital Act
Small, Minority, and Women-Owned Business Accounts Program
(Department of Commerce)

February 24, 2026

The Honorable
Delegate Kriselda Valderrama, Chair
House Economic Matters Committee
6 Bladen Street, 230 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable
Delegate Lorig Charkouian, Vice Chair
House Economic Matters Committee
6 Bladen Street, 231 Taylor House Office Building
Annapolis, Maryland 21401

Dear Madame Chair Valderrama, Madame Vice Chair Charkoudian and distinguished Members of the House Economic Matters Committee:

My name is Timothy Smoot, President and CEO of MMG Capital Group, formerly known as Meridian Management Group. We are one of the fund managers for the Small, Minority, and Women-Owned Business Program Funds. Our particular fund is known as the Maryland Casino Business Investment Fund. We want to thank you for allowing us to provide testimony in support of House Bill 798.

As one of the original three (3) Fund Managers, it is our responsibility to promote the financing opportunities available to small, minority-owned, women-owned and other disadvantaged businesses throughout the state, processing their applications, underwriting their loan requests, presenting their requests to loan committees, coordinating their loan settlements and work with their owners as they try to start and grow their businesses – this often requires us to offer guidance and some level of technical assistance, directly or indirectly.

The financing we provide under these funds are to companies that typically don't qualify for bank financing because they carry a somewhat greater degree of risks. This means more work on the part of the Fund Manager in terms of financial analysis, underwriting due diligence, loan structuring, credit checks and monitoring after the loan is made. The other issue we face is consistently marketing the funds, which requires participating in workshops and seminars, collaborating with branch managers and commercial lenders in the banking community working with our local chambers of commerce. Completing all of these tasks with the

earnings from the funds and charging rates that are affordable to the businesses we serve are tough.

We simply do not have the resources to do all we need to do in an efficient and timely manner. The proposed fee would help us all serve more businesses and spend time helping them grow, get in front of our responsibilities to better manage the funds and service businesses more efficiently. To put it plainly, an additional administrator, credit analyst and loan officer would go a long way.

In summary, HB 798 will be a really helpful resource to build our small business base and, in turn, grow our state's economy.

We appreciate your time and strongly urge you to support the Bill. I am happy to answer any questions.

SB 1008: MSBDFA Loan Guaranty Fund Amendment

A Comparative Analysis

	<u>Loan Amount</u>	<u>Funds Required</u>
Direct Loan from MSBDFA		
ABC Enterprises, LLC	\$ 500,000	\$ 500,000

vs.

Loan Guaranty to a Bank

ABC Enterprises, LLC	<u>500,000</u>	<u>300,000</u>
Funds Remaining to Assist Other Businesses		\$ 200,000

Add'l Direct Loans from MSBDFA

CBS Seafood, LLC	\$ 100,000
123 Physical Therapy, Inc.	\$ 100,000

Conclusion: Potentially loans to 3 businesses instead of 1