



Senator Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Office Building
Annapolis, MD 21401

February 27, 2026

RE: SB 881 – UNFAVORABLE – Commercial Financing – Small Business Truth in Lending Act

Dear Chair Beidle and Members of the Committee:

The Maryland Asphalt Association (MAA) represents approximately 110+ members, including 20 material producers, contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

MAA respectfully opposed SB 881 because, as currently written, it would have an extensive impact on our members. Captive commercial equipment finance is a business-to-business tool tied directly to the financing of equipment, secured by the equipment itself, not a cash-loan product. It features clear, upfront terms and underwriting aligned with equipment value, depreciation, and duty cycles. Captive finance is fundamentally different from the high-cost, opaque financing models SB 881 is intended to address.

Maryland's off-road and heavy equipment users operate on seasonal and project-driven cycles. Captive finance provides practical options, seasonal/skip payments, step or balloon structures, and project-aligned terms, that match real cash flow. This flexibility helps small and mid-sized contractors, farmers, and public works suppliers avoid downtime, preserve working capital, and meet schedules that impact roads, bridges, utilities, and site work across the state.

As drafted, SB 881 would require significant systems, legal, and process changes for captive finance organizations. That will increase costs, reduce flexibility, and slow approvals, directly affecting dealers, contractors, and project schedules. For smaller firms, delays and higher costs can mean missed bids, lost jobs, or deferred equipment purchases. For these reasons, we cannot support Senate Bill 881 and respectfully ask for an unfavorable report.

Sincerely,

Tim E. Smith. P.E.
President
Maryland Asphalt Association