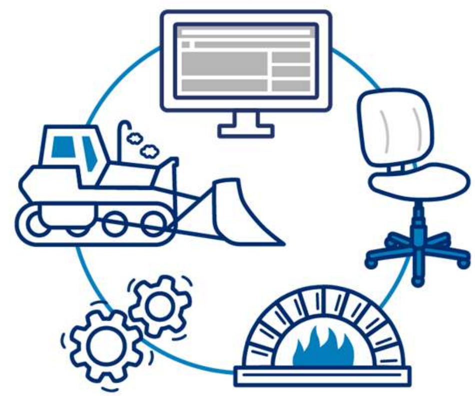
Maryland Economic Development Conference

Summer 2026

The SBA works to ignite change and spark action so small businesses can confidently

START • GROW • EXPAND • RECOVER

How Can an SBA-backed Loan Help?



- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses

- Purchase, renovate, or expand facilities
- Purchase inventory, equipment, or machinery
- Purchase land or real estate
- Export a product or service

One-on-One Mentoring / Confidential Coaching

- SBA-funded Resource Partners offer FREE business counseling sessions via phone and video or in-person
- Business coaches can help strategize business solutions
- Specialists are standing by to assist with your business loan application
- Plus, free or low-cost training events

MD Small Business Development Ctr.

marylandsbdc.org

SCORE score.org

Women's Business Centers (WBCs)

Baltimore Metro WBC, Baltimore (443) 885-3663

MD Capital Enterprises, Salisbury (410) 546-1900

Maryland WBC, Rockville (301) 315-8091

Veterans Business Outreach Ctr.

(240) 736-9860; veteranbusiness@umd.edu

Federal Contracting

The world's largest customer, buying all kinds of products & services

Required by law to provide contract opportunities to small businesses

Evaluate your readiness & learn more by visiting **SBA.gov/contracting**

SBA Disaster Assistance Loans

Each year, the SBA provides billions of dollars in low-interest, long-term **disaster loans** to help small businesses, homeowners, and renters recover from declared disasters. Loans may cover:

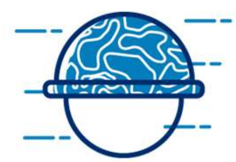
Real Estate

Personal Property

Economic Injury

Machinery & Equipment

Inventory



Active Duty Military

Agency Priorities and Initiatives

Made in America Manufacturing Initiative

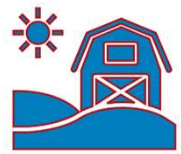
www.sba.gov/manufacturing

Freedom 250 – Patriot Pitch Competition

www.sba.gov/freedom250

Lender Retention and Re-engagement

www.sba.gov/lenders & www.sba.gov/loans



Rural Economic Development

www.sba.gov/rural

Cutting Regulations and Red-Tape

https://advocacy.sba.gov/resources/hotline

Disaster Prevention & Preparedness

www.sba.gov/disaster & www.sba.gov/prepare

Loan Program Updates – What's new?

MARC Loan

- **Dedicated 7(a) program for small manufacturers** (NAICS 31-33) — first SBA loan product designed specifically for American manufacturing
- **Provides flexible revolving working capital** lines with streamlined underwriting and maximum lender flexibility
- **Less red tape** - Supports job creation, expansion, and reshoring of U.S. manufacturing.
- **Unique revolving-to-term feature:** Starts as a flexible revolving line of credit for working capital and can seamlessly convert to a fixed-term loan — a major market differentiator not available in other SBA or conventional products.

Grocery Guarantee

- **New 90% SBA guarantee** (up from standard 75%) through the International Trade Loan program to strengthen the U.S. food supply chain
- **Broad eligibility** across key food supply chain NAICS codes (agriculture, farming, processing, distribution, warehousing, and grocery retail) — no international sales required for qualification
- **Aimed at lowering grocery costs and expanding production -** Helps farmers, ranchers, processors, distributors, and logistics businesses.
- **Loans up to $5 million** available started May 2026 — designed to increase domestic food supply and affordability

Cumulative Loan Limit

- **Major increase**: Combined 7(a) + 504 loan limit raised to **$10 million** (doubled from previous $5 million cap)
- **Stacking flexibility** allows businesses to combine up to $5M in 7(a) financing with up to $5M in 504 financing — the highest level of SBA-backed capital ever offered
- **Effective July 4, 2026** — borrowers can now access up to $5M in 7(a) + up to $5M in 504 financing.
- **Unprecedented level of SBA-backed capital -** support business acquisitions, real estate, equipment, and growth

FY26 YTD– SBA Baltimore District Snapshot

Outreach Training & Visits	7A Loans YTD	Jobs Created
343	**$279M**	**6,413**
Attendees	**504 Loans YTD**	**Contracting Dollars**
3,422	**$22M**	**$188M**

SBA Lending Overview

Baltimore District Office

www.sba.gov/md

2026

U.S. Small Business Administration

SBA-Guaranteed Loans

U.S. Small Business Administration

The SBA works with lenders to provide loans to small businesses. The agency does not lend money directly to small business owners.

SBA is a **CASH FLOW** Lender – Loans will likely not be declined for insufficient collateral.

The SBA reduces risk for lenders and makes it easier for them to access capital. This makes it easier for small businesses to get loans.

Lender Match

Find an SBA-approved lender that's right for you by visiting

SBA.gov/lendermatch

SBA could be the answer for:

- Start up business (2 years or less)
- Riskier Industries (Convenience Stores, Gas Stations, Hotels)
- Lower down payment
- Lack of Collateral to fully secure the loan
- Longer repayment term needed or desired

General SBA Eligibility

SBA loan eligibility is generally based on what a business does to receive its income, the character of its ownership, and where the business operates.

In general, businesses must meet SBA size standards, be able to repay, and have a sound business purpose; in addition, the small business must:

- **Be a for-profit business** *The business is officially registered, pays taxes and operates legally.*
- **Do business in the U.S.** *The business is physically located and operates in the U.S. or its territories.*
- **Have invested equity** *The business owner has invested their own time and money into the business.*
- **Exhaust financing options** *The business cannot get funds from any other financial lender.*

NOTE: SBA financing is limited to business applicants with 100% direct and/or indirect owners and SBA-required guarantors, all of whom must be U.S. Citizens or U.S. Nationals who have their Principal Residence in the United States, its territories, or possessions. ***Even a small percentage of ownership by a non-citizen renders the business ineligible for SBA-backed financing.***

Ineligible Businesses

- Gambling or speculation
- Rental property investment/other speculative activities
- Lending activities
- Multi-level marketing firms
- Businesses providing sexual material
- Marijuana Industry
- Non-profit organizations
- Charitable organizations
- Illegal Activities
- Borrowers that have defaulted on federal loans or financing (including student loans; past due on PPP, EIDL)
- Non-US Citizens

SBA MicroLoans

Accessed through SBA Microloan Intermediaries

(CDFIs Non-Profit Lenders)

- Intermediaries borrow dollars from SBA and lend directly to borrowers.
- **Use of Proceeds**:
  - Working Capital
  - Machinery and Equipment/Inventory
  - Leasehold Improvements
  - Can NOT be used for down payment of or to purchase real estate
  - **Loan Amount :** $500 to $50,000

Interest rates: Generally, between 8 and 13%

Repayment Terms: Maximum to 7 years

Credit Requirements: Not as stringent as commercial banks

Use in place of credit cards or pay day loans

SBA Microlenders Serving Maryland

Ascendus, Inc., 646-833-4557 ascendus.org

Service Area: State of MD

ECDC, 703-685-0510, edgus.org

Service area: Montgomery, PG, AA, Howard, Balt City & Co, Charles, Calvert, St. Mary's

LEDC, 443-708-7035, ledcmetro.org

Service Area: AA, Balt City & Co. Frederick, Howard, Montgomery, PG

Life Asset, Inc. 202-709-0652, lifeasset.org

Service Area: AA, Balt City & Co, Charles, Frederick, Howard, Montgomery, PG

Maryland Capital Enterprises, 410-546-1900, marylandcapital.org

Service Area: AA, Balt City & Co, Caroline, Dorchester, Kent, Queen Anne, Somerset, Talbot, Wicomico, Worcester

Washington Area Community Investment Fund, 202-529-5505, wacif.org

Service Area: Balt City & Co, Montgomery, PG

504 Certified Development Co. (CDC) Loan

Maximum Amount: Up to $5.5 Million : Small Manufacturers in NAICS codes 31-33 can go to $5.5m

504 loan Fee: One-time fee of 0.50 % of the senior mortgage loan amount.
May be paid by Third Party Lender, CDC or borrower.

Fixed rate, low down payment financing for fixed assets

Administered for SBA by Certified Development Companies (CDC)

- CDC handles all SBA paperwork
- Fixed below market rate on SBA portion
- Can be 20 or 25-Year term on real estate / 10-year max on equipment

Note: Loan cannot be used for rental real estate investment, speculation. No vacation rentals, house flippers, etc.

504 = Think Big! Brick & Mortar, Heavy Equipment, Etc.

504 CDC Loan

Eligible Uses of Proceeds:

- To Acquire land and/or fixed assets
- Improve a site
- Expand or renovate an existing building
- Acquire and install fixed assets (useful life of at least 10 years)
- Debt Refinancing under certain conditions

Note: Minimum 51% owner occupied; Special rule for new construction 60% owner occupied (with exceptions)

Basic 504 Loan Structure

Third Party Lender (e.g., Bank or Credit Union)

- Conventional financing with negotiated rate
- Contributes 50% of the project cost
- 10-year RE financing or 7-year equipment financing

SBA 504 Certified Development Company

- Contributes 40% of the project cost, up to $5MM
- CDCs are non-profit organizations certified by SBA
- Funded through an SBA-guaranteed debenture with low fixed rate, below market interest rate (set monthly based on U.S. Treasury rate, e.g., averaging 6.17-6.20% as of July 2026)
- Loan terms are 10, 20, 25 years for RE & 10 years for equipment

Borrower (Small Business Owner)

- Contributes 10% as a down payment (equity injection)
- Contributes 15% for start-ups (businesses <2 years old) or special purpose properties such as hotels, gas stations, etc.
- Contributes 20% if both start up & special-purpose property apply

504 Lenders Serving Maryland

504 Capital Corp.

504Capital.com

Chesapeake Business Finance Corp.

chesapeake504.com

Business Finance Group

businessfinancegroup.org

Rappahannock Economic Devel. Corp. (REDCO)

redco504.org

SBA 7a Loan

Maximum loan amount: $5MM
Maximum guarantee amount: $3.75MM
10 Year Term (max 25 years for real property)
Interest Rates: Prime plus 3% - 6.5% max depending on loan size; the more you borrow, the less the interest rate
SBA guaranty fees 0% - 3.75% depending on program and loan size
NOTE: Loans of $950,000 or less to manufacturers (NAICS 31-33) will have no guaranty fee

Approved Use of Funds:

- Acquiring, refinancing, or improving real estate and buildings
- Short- and long-term working capital
- Refinancing current business debt
- Purchase & installation of machinery and equipment, including AI-related expenses
- Purchasing furniture, fixtures, and supplies
- Changes of ownership (complete or partial)
- Multiple purpose loans, including any of the above

International Trade Loan Overview

Maximum Loan Amount	$5,000,000
Loan Guarantee %	90%
Use Of Proceeds	• Acquire, construct, renovate, modernize, improve, or expand facilities and equipment to be used in the U.S. to produce goods or services • Reshoring of manufacturing, expansion of production capacity and tooling • Permanent Working Capital (up to $2 million maximum) • Debt Refinancing under certain conditions consistent with SOP 50 10 8 • Complete Changes of Ownership (*certain restrictions apply) • **NEW Grocery Guarantee**
Base Rates	Prime Plus (3% - 6.5%)
Guarantee Fees	$150,000 or less = 2% $150,001 to $700,000 = 3% $700,0001 to $5,000,000 = 3.5%

**See the SOP for the most up to date detailed information*

U.S. Small Business Administration

Grocery Guarantee Eligibility

Small businesses in agriculture, livestock, aquaculture, fishing, support services, wholesaling, retail, trucking, and warehousing.

Key NAICS Codes (Effective May 1st)	
1111 - Oilseed and Grain Farming	1151- Support Activities for Crop Production
1112 - Vegetable and Melon Farming	1152 - Support Activities for Animal Production
1113 - Fruit and Tree Nut Farming	423820 - Farm and Garden Machinery and Equipment Merchant Wholesalers
1121 - Cattle Ranching and Farming	4244 – Grocery and Related Product Merchant Wholesalers
1122 - Hog and Pig Farming	424420 – Packaged Frozen Food Merchant Wholesalers
1123 - Poultry and Egg Production	4245 – Farm Product Raw Material Merchant Wholesalers
1124 - Sheep and Goat Farming	424910 – Farm Supplies Merchant Wholesalers
1125 - Aquaculture	445110 – Supermarkets and Other Grocery Retailers
1129 - Other Animal Production	484220 –Specialized Freight Trucking, Local
1141 - Fishing	484230 –Specialized Freight Trucking, Long Distance
493120 – Refrigerated Warehousing and Storage	493130 – Farm Warehousing and Storage

If you grow, raise, process, transport, or sell food — you likely qualify.

Thank you

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www.sba.gov/md

U.S. Small Business Administration