



FY22 Budget Presentation



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We are more than
a lender.



Creative Financing
Solutions

Our Company Mission

FSC First is a reliable provider of creative and innovative business financing solutions to established and emerging businesses in the State of Maryland. We also provide comprehensive loan administration services for loan programs that stimulate the growth and development of the local economy.





Innovative and
Creative Approach

Our Vision

FSCFirst is the premier lending partner for businesses in the region, providing creative and innovative financing to grow and sustain the local economy.

We support
your business.



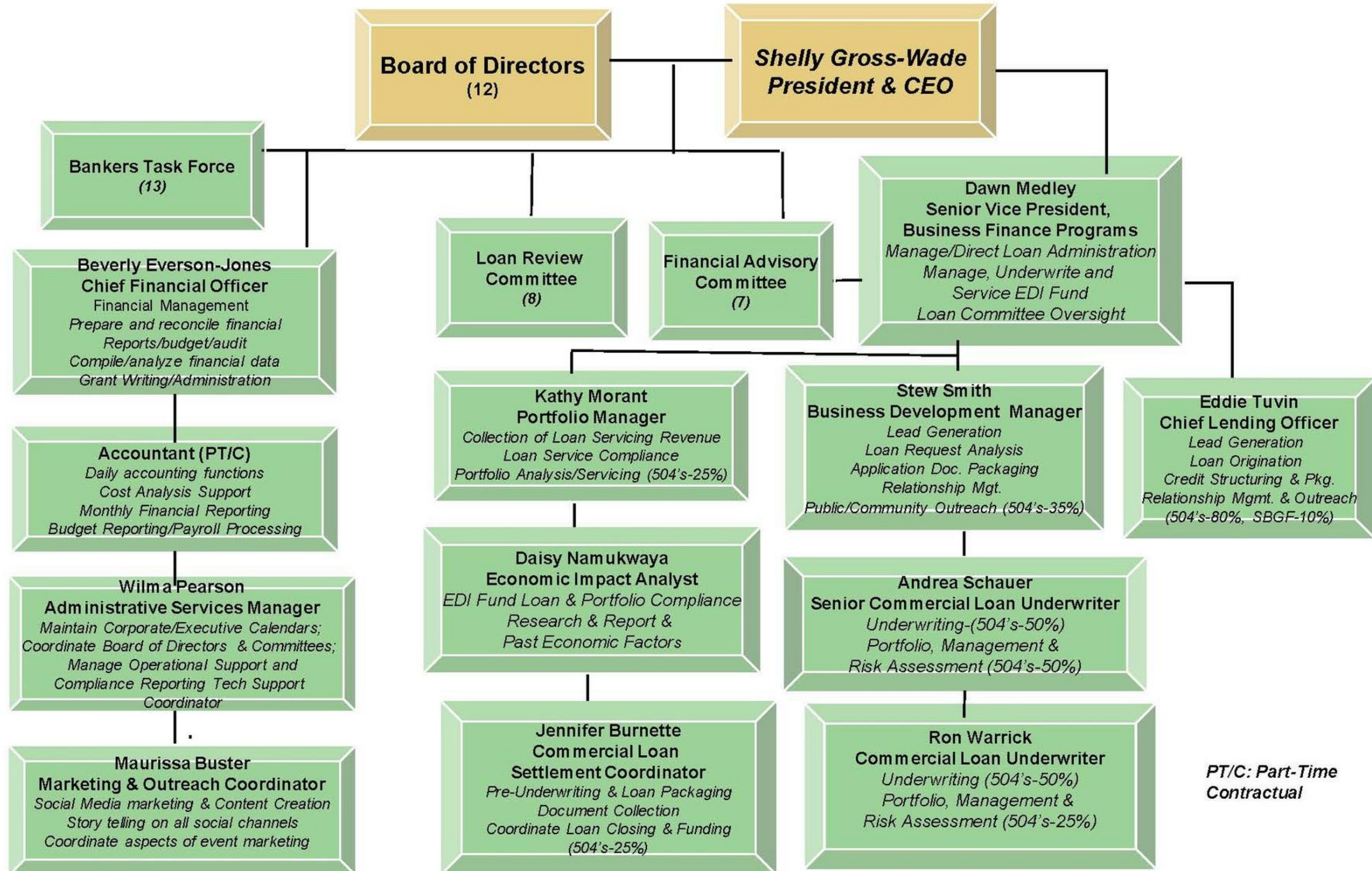
Our Capabilities





FSC First has the requisite resources to administer this fund pool. Useful and important knowledge already exists in our business. It can be found in:

- The experience of our employees
- The designs and processes for our loan programs
- The files of documents including applications and other forms such as PFS, Management Resume, required for analysis
- The Loan servicing capabilities



FSC First Organization Chart



-  =FY21 Accomplishments (to date)
-  =FY21 Projections
-  =FY20 Accomplishments
-  =FY20 Projections

FY21 Accomplishments and Projections



Loan Production FY19, FY20, FY21



	FY19	FY20	FY21
<ul style="list-style-type: none"> • Loan Approval Goal • Loan Approval Actual • % of Goal Achieved 	<p>\$10,500,000 \$7,888,000 75%</p>	<p>\$10,500,00 \$3,456,494 33%</p>	<p>\$9,000,000 \$3,711,921 41%</p>
<ul style="list-style-type: none"> • Loan Closing Goal • Loan Closing Actual • % of Goal Achieved 	<p>\$8,400,000 \$9,436,000 112%</p>	<p>\$8,200,000 \$3,377,494 41%</p>	<p>\$8,100,000 \$1,496,921 18%</p>
<ul style="list-style-type: none"> • Loan Product Revenue Goal • Loan Product Revenue Actual • % of Goal Achieved 	<p>\$446,259 \$616,696 138%</p>	<p>\$489,194 \$533,112 109%</p>	<p>\$419,722 \$358,880 86%</p>
	<p>County increased to \$562,400 (\$116,141 diff) 110%</p>	<p>County increased to \$608,300 (\$119,106 diff) 88%</p>	<p>County increased to \$578,700 (\$158,978 diff) 62%</p>

COVID-19 Initiatives

The Legacy Fund for Small Business Development (closed)
\$1 Million Dollar Grant Program

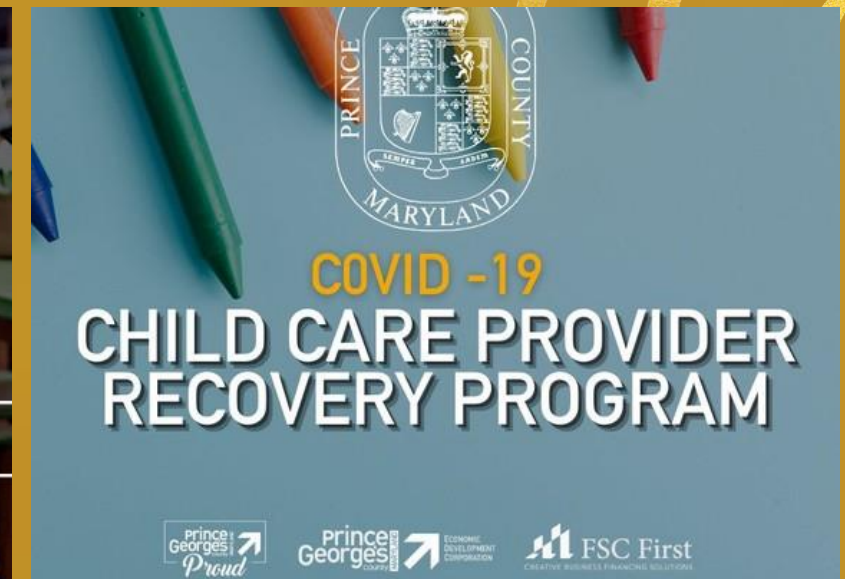
COVID-19 Child Care Provider Recovery Program (closed)
\$2 Million Dollar Grant Program

COVID-19 Restaurant Resiliency Fund (closed)
\$11.4 Million Dollar Grant Program

COVID-19 Business Recovery Initiative (closed)
\$19.6 Million Dollar Grant Program

Emerge Stronger
Collaborative Technical Assistance Program

\$34 Million
granted



Grant Production FY20-FY21

<u>Program Name</u>	<u>Grants Awarded (\$)</u>	<u>Grants Awarded (#)</u>
COVID-19 Business Recovery Initiative	\$19,690,500	595
COVID-19 Restaurant Resiliency Fund	\$11,423,545	511
COVID-19 Child Care Provider Recovery Program	\$2,046,000	220
The Legacy Fund for Small Business Development	\$995,000	178
Total:	\$34,155,045	1,504

Lending Capacity

SBA 504 Real Estate Program unlimited up to \$5,500,000 per loan

Small Business Growth Fund (Loan Pool) \$5,478,600

EDI Fund \$9,000,000 allocation per year

(\$8.2MM in SALE for program since 2014 - Avg. \$1.38 Million per year against \$1 M per year allocation)

VLT Flex Fund \$7,000,000

Mt Rainier Million Dollar Incentive Fund \$1,000,000

City of Bowie Revolving Loan Fund \$400,000

Microenterprise Loan Fund \$400,000

Strive for 35 (Washington Gas) \$500,000

Commercial Property Assessment for Clean Energy (C-PACE) - unlimited

Green Energy Loan Fund \$6,000,000

Purple Business Assistance Fund (Grants) \$450,000



\$30+ Million

FSC First is uniquely positioned to support the continued recovery of small businesses, if appropriately funded.

EDI Servicing Fee Impact Statement

Problem:

The original EDI Fund arrangement is obsolete. However, FSC First has continued to provide servicing without being appropriately compensated causing challenges to provide services without compensation. The original agreement called for loans to be priced with a base rate of 4% with additional pricing added to allow for FSC's servicing fee. Instead, most loans are priced below 4% and FSC receives no servicing fee or no more than 1% in some cases while the County receives 76% of the servicing fee and the return of 100% the principal. Additionally, FSC receives 0% for servicing fees for all Conditional Loans which is 61% of the portfolio historically.

Solution:

Retain 100% of servicing fees (interest) earned from the EDI Fund as income for asset management and loan servicing services provided to the County, which includes, but are not limited to:

What's impacted

- Loan documentation and coordination with county law office & outside counsel
- Capital/construction expenditure monitoring,
- Company retention monitoring in the County
- Site visits & inspection
- Quarterly compliance reporting and job creation certification
- LSMBE coordination
- Modification analysis & underwriting

Reduced services

- Underwriting
- Draw request analysis, disbursement processing and billing/collections



\$27M

Impact Statement:

With sufficient funding, FSC First is well positioned to provide full servicing to the EDI Fund which increases county tax base and provides jobs for local residents. If the servicing arrangement is not appropriately modified, FSC First will have to reduce services provided to County for EDI Fund in order to realign compensation with industry practices.

Financial Overview

FY21 Revenue: \$1,925,140 (as of 3/31/21)

FY20 Revenue: \$1,810,749

FY19 Revenue: \$1,876,595

FY21 Expenses: \$1,821,704 (as of 3/31/21)

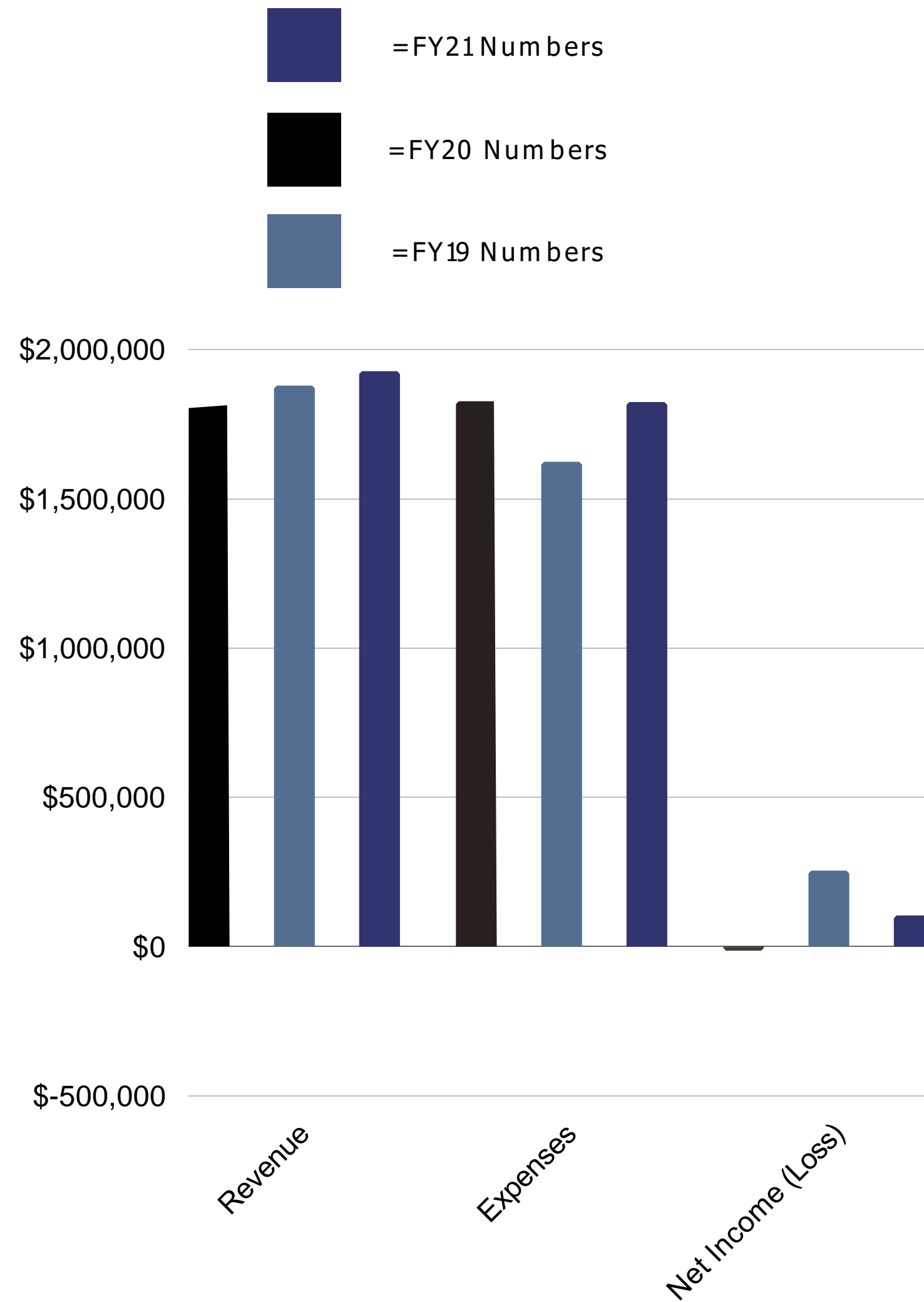
FY20 Expenses: \$1,824,497

FY19 Expenses: \$1,621,651

FY21 Net Income: \$103,436 (as of 3/31/21)

FY20 Net Loss: [\$13,703]

FY19 Net Income: \$251,944

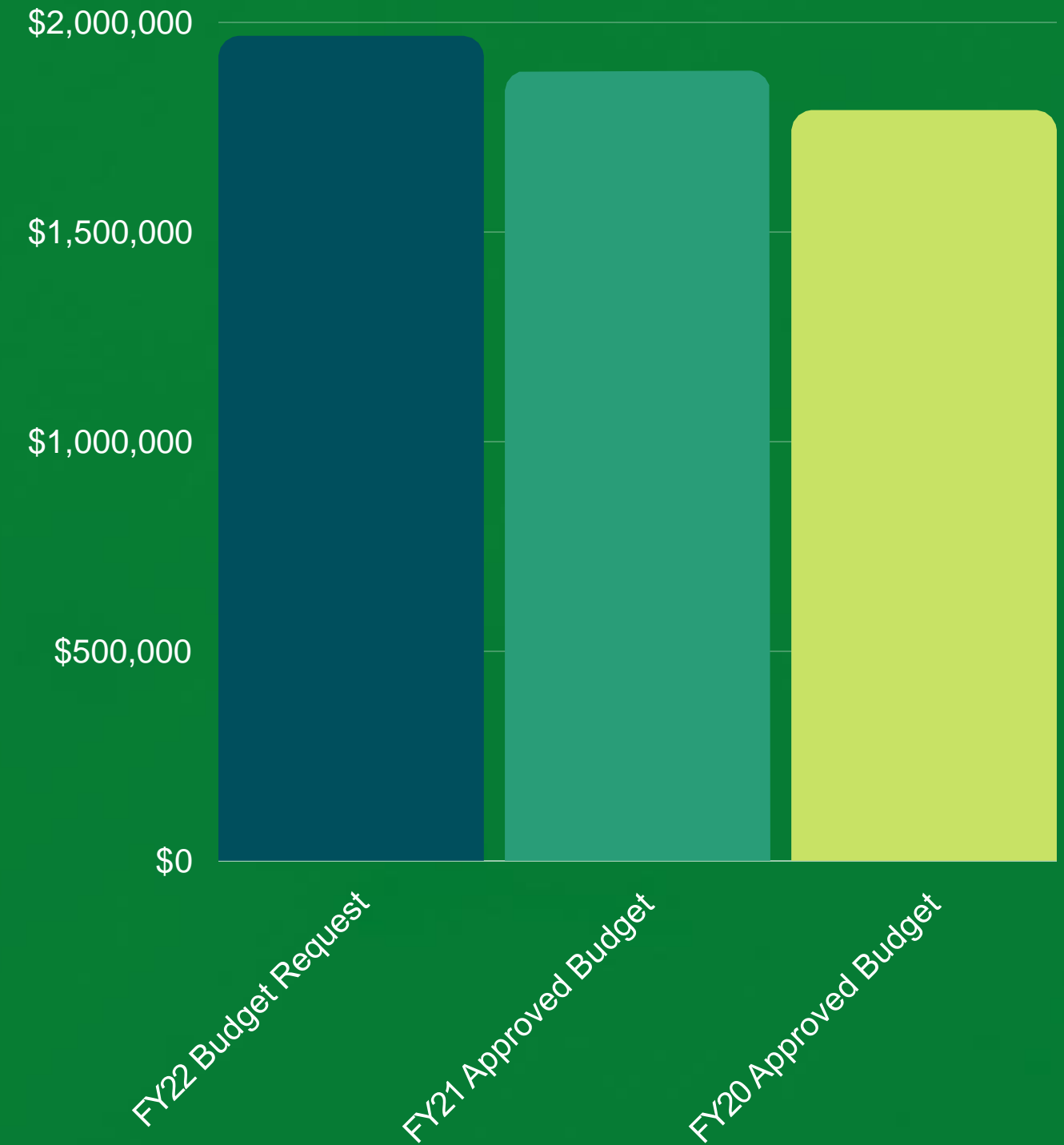


FY22 Budget Highlights

FY22 Budget Request:
\$1,966,000 (\$1,094,800 County Grant)

FY21 Approved Budget:
\$1,883,100 (\$1,203,000 County Grant)

FY20 Approved Budget:
\$1,788,880 (\$1,122,500 County Grant)



FY22 Budget Summary

Continuance of mission critical support to the County in Post COVID-19 environment.

- Standard and evolving lending programs
- Monitoring of grant compliance
- Enhanced technology platforms

Additionally, it will reflect interest income targets in a recovery modeI, includes more appropriate pricing of servicing activities, and Leverages FY21 special corporate funding to further enhance internal capacity building.



\$34 million
granted



\$30+million
to fund



\$1,966 million
requested

FSC First is uniquely positioned to support the continued recovery of small businesses, with the appropriate county funding. This funding support will allow us to continue being a strong partner in providing recovery assistance to County businesses impacted by the pandemic.



Thank You.



www.fscfirst.com