



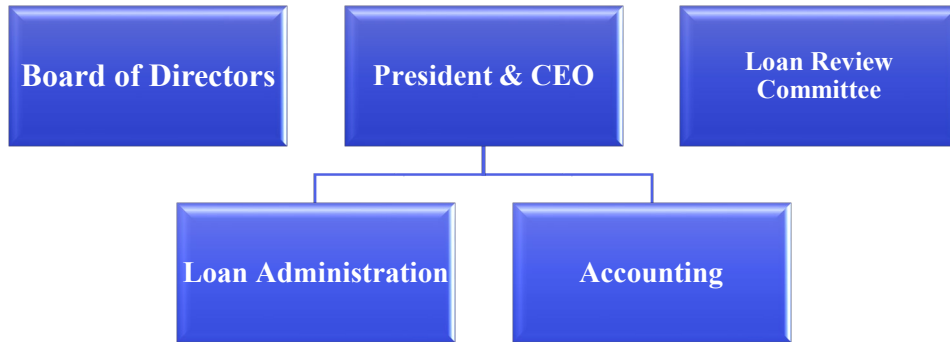
# FSC FIRST FY 2027 BUDGET OVERVIEW

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Analyst**

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# FSC FIRST

President, Dawn Medley



## Mission

- Financial Services Corporation (FSC First) is a non-profit organization whose mission is to provide small and minority-owned businesses access to creative, flexible and innovative financing solutions for their operations including direct loans, accounts receivable financing and contract financing (e.g., commercial real estate and equipment loans)

## Core Services

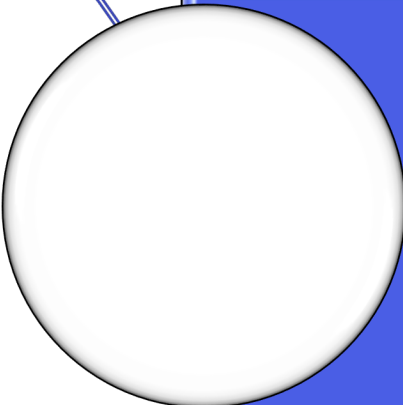
**Promote the availability of non-bank business financing solutions**

**Provide access to capital for small and minority-owned businesses**

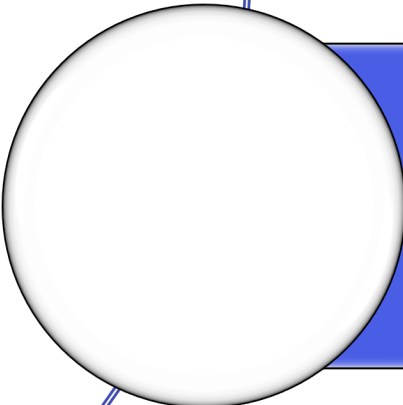
**Provide loan packaging services**

**Manage and service a diverse economic development loan portfolio**

# Strategic Focus FY 2027



Lend \$11 million in new loans to local businesses through various federal, State, and local programs



Achieve funding targets for \$11 million in new Small Business Administration (SBA) 504 Commercial Real Estate Program, Small Business Thrive Fund (SBA Community Advantage), Economic Development Incentive (EDI) Fund, Video Lottery Terminal Flexibility (VLT FLEX) Fund, Strive for 35 Fund, Commercial Property Assessed Clean Energy (C-PACE), University of Maryland Medical Systems (UMMS) Healthcare Capital Fund, Small Business Capital and Growth Stimulus Fund (SBCGSF), Capital Area Business Expansion Fund, and State Small Business Credit Initiative (SSBCI).

# AGENCY BUDGET OVERVIEW

## Proposed FY 2027

\$2,523,400  
1.02M is the  
County  
Grant

Increase of  
\$120,000 or  
5%

Compensation &  
Fringe Benefits:  
\$1.8M

## Revenues Proposed FY 2027

Net loan program  
income is  
projected at  
\$152,700 a 22.3%  
decrease

Management/ Servicing  
Fees are projected at  
\$1,001,900, a 19.4%  
increase

Net Fundraising  
Revenue is  
projected at  
\$150,000

Other Income, which  
includes expected gala  
fundraising efforts in FY  
2027, is projected at  
\$156,500, a 57.4%  
increase

## Operating Expenditures

Contractual:  
\$165,000, -0.3%

Indirect Costs:  
\$500,500 +6.4%

# EDI FUND FY 2026

1,218  
applications  
received to  
date

71  
applications  
received in FY  
2026, with  
four (4) being  
completed  
and one (1)  
submitted for  
further review

Four (4)  
clawbacks  
since the  
inception of  
the Fund,  
totaled  
received from  
clawbacks is  
\$1,150,249.37

38% of the  
conditional loan  
jobs created and  
retained by  
Prince George's  
County residents

57% of the  
conventional loan  
jobs created and  
retained by  
Prince George's  
County residents

# OTHER LOAN PROGRAMS FY 2026

## The Video Lottery Terminal Flex Fund:

14 loans totaling \$1,294,000 were closed/funded in FY 2026

One (1) loan totaling \$100,000 is in the closing and pending but approved process

Five (5) loans totaling \$770,200 are in the pipeline

## SBA 504:

One (1) loan totaling \$614,000 was closed/funded in FY 2026

Two (2) loans totaling \$874,000 are in the closing and pending but approved process

Seven (7) loans totaling \$6,706,000 are in the pipeline.

# OTHER LOAN PROGRAMS FY 2026

## Small Business Capital & Growth Stimulus Loan:

One (1) loan totaling \$75,000 was closed/funded in FY 2026.

## University of Maryland Medical System (UMMS):

Two (2) loans, totaling \$225,000, were closed/funded in FY 2026.

One (1) loan, totaling \$100,000, is in the closing and pending but approved process.

# OTHER LOAN PROGRAMS FY 2026

## Micro-MD DHCD/Cap One

Three (3) loans totaling \$172,000 were closed/funded in FY 2026

Nine (9) loans totaling \$515,000 are in the pipeline

## CABEF:

Two (2) loans totaling \$440,000 were closed/funded in FY 2026

One (1) loan totaling \$70,000 is in the closing and pending but approved process

Four (4) loans totaling \$805,000 are in the pipeline.



# **FY 2026 Estimate**

**38 Loans Closed**

**519 Jobs  
Created/Supported**

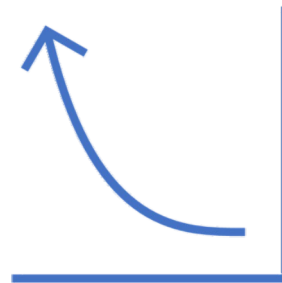
**\$8.5M in Loan  
Amounts**



# STAFFING

- 11 County Funded Positions for FY 2027
- All positions are filled

# GENERAL CONCERNS & CHALLENGES FACING FSC FIRST



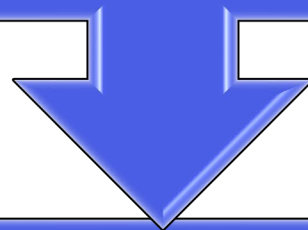
Difficulty managing compliance efforts across all loans programs, creating a critical need, affecting the operations of programming due to the inability to fund an additional position.

Rising interest levels lead to hesitancy for small business owners to engage in debt financing, further limiting the growth of FSC First's loan portfolio. In this regard, FSC First has relied on the Level Program to provide technical assistance and other programming.



# FEDERAL GOVERNMENT CONCERNS

**Heightened federal scrutiny and oversight**



**SBA CDFI Fund, and other grants that support CDFIs**

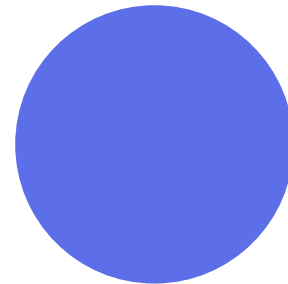
Recent Small Business Administration (SBA) regulatory changes, including stricter eligibility criteria, enhanced underwriting standards, and more complex loan processing requirements for programs

Enhanced documentation and underwriting requirements have increased operational expenses and extended loan processing timelines,

Changes to the Community Development Financial Institution (CDFI) Certification Application have introduced more rigorous, data-driven requirements for defining and documenting target markets.

Increased difficulty in obtaining or maintaining CDFI certification threatens access to key federal funding streams, including grants and subsidized capital.

# Committee Considerations



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How have compliance struggles affected FSC First program output?  
How can this be rectified?

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How can FSC First continue to support small businesses at the highest level despite the threat to multiple funding sources, including SBA?

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Please describe the current need for technical assistance and the ways it can be strengthened to support the business climate.


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How can the overall functions of FSC First be leveraged in the current economic climate?



# THANK YOU

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