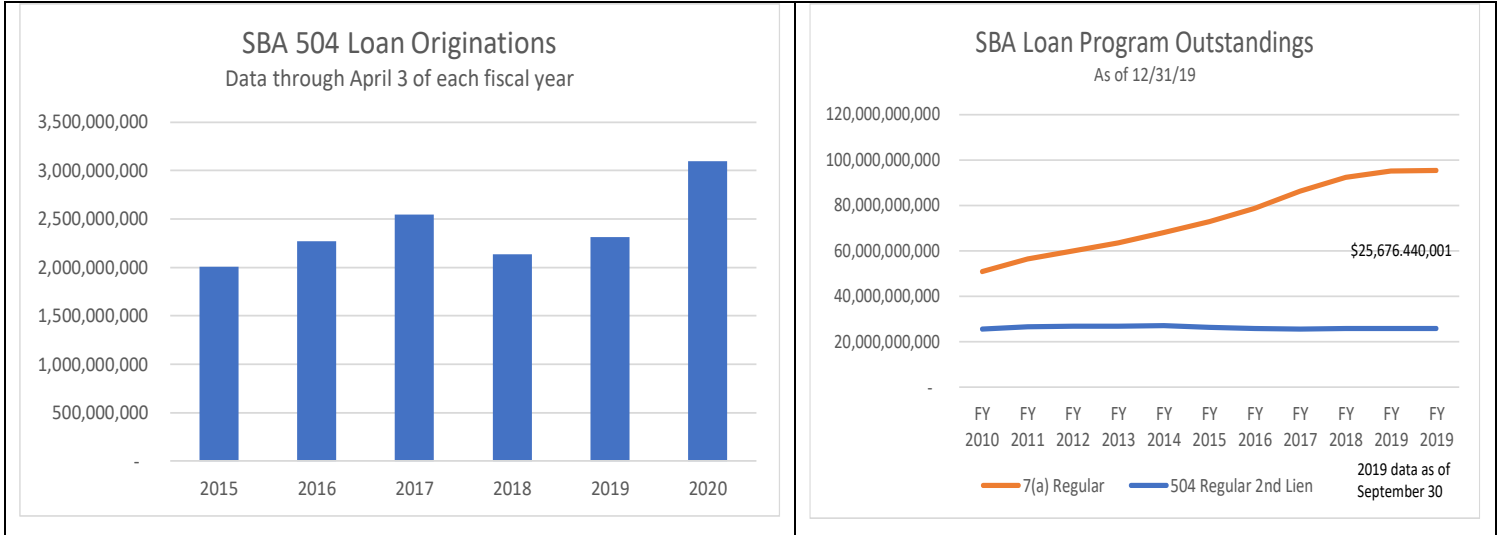
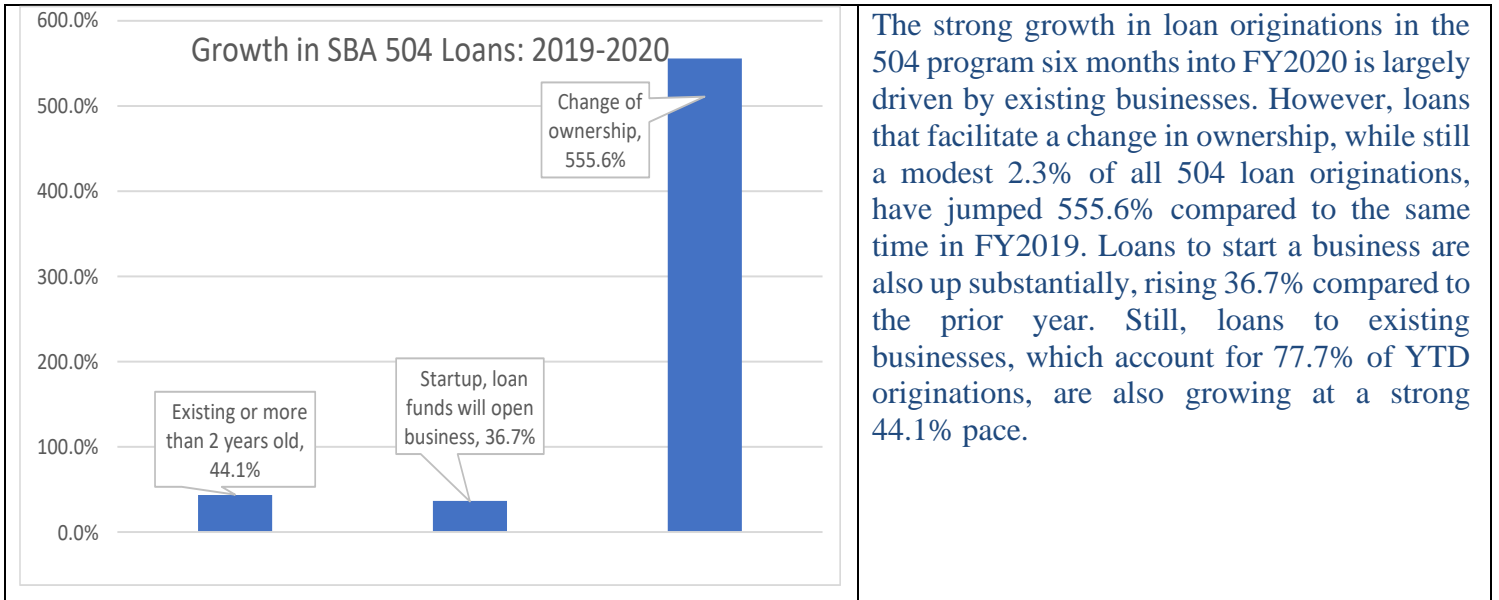


SBA 504 loan origination growth continued to progress at an accelerated pace in the sixth month of the 2020 fiscal year. Through April 3, 2020, SBA 504 loan originations were up 33.8% compared to the prior year, reaching \$3.10 billion year-to-date in FY2020 versus \$2.31 billion during the same period in FY2019. The unpaid principal balance of outstanding 504 loans stood at \$25.83 billion as of December 31, 2019, up 0.2% compared to the \$25.77 billion figure at year-end FY2019. In contrast, SBA 7(a) loan originations are down 12.2% year-to-date (through April 3) to \$10.17 billion and the unpaid principal balance of 7(a) loans was \$95.37 billion at December 31, 2019, up 3.0% compared to year-end FY2019.



While 7(a) loan outstandings continue to grow at solid pace (2.9% in FY2019 and 7.2% in FY2018), 504 loans have remained in a fairly tight range between \$25 billion and \$27 billion over the last nine years. Of course, the chart above includes only the CDC/SBA second lien portion of a 504 loan package, which typically amounts to roughly 40% of the financing. The first lien loan, usually supplied by a bank or other private sector lender, typically provides another 50% of the project funding.



The strong growth in loan originations in the 504 program six months into FY2020 is largely driven by existing businesses. However, loans that facilitate a change in ownership, while still a modest 2.3% of all 504 loan originations, have jumped 555.6% compared to the same time in FY2019. Loans to start a business are also up substantially, rising 36.7% compared to the prior year. Still, loans to existing businesses, which account for 77.7% of YTD originations, are also growing at a strong 44.1% pace.

The information presented herein is not an offer, or the solicitation of an offer, to buy or sell any of the products described herein. Any terms or conditions contained herein are indicative and are provided for discussion purposes only. This is intended as an outline only and does not purport to list or summarize all of the terms and conditions of a particular transaction, nor to identify or define all of the risks that would be associated with the purchase or sale of the products described herein. All information contained herein is qualified in its entirety by the information that would be contained in the final documentation for any transaction. The information contained herein should not be construed as investment advice or a recommendation to purchase any of the referenced securities described herein.

## News Blurb of the Week — Joint Statement on CRA Consideration for Activities in Response to COVID-19

**March 19, 2020** – The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have issued the attached joint statement on Community Reinvestment Act (CRA) consideration for activities in response to the Coronavirus Disease (referred to as COVID-19).

<https://www.federalreserve.gov/supervisionreg/caletters/CA%2020-4%20Attachment.pdf>

<b>Top SBA 504 Lenders</b>				
	<b>FY2019</b>		<b>FY2020 December YTD</b>	
<b>CDCs</b>	Mortgage Capital Development Corporation		Florida First Capital Finance Corporation, Inc.	
<b>2nd Liens</b>	CDC Small Business Finance Corporation		Empire State Certified Development Corporation	
	Florida First Capital Finance Corporation, Inc.		CDC Small Business Finance Corporation	
	Empire State Certified Development Corporation		Florida Business Development Corporation	
	Business Finance Capital		Mortgage Capital Development Corporation	
	Florida Business Development Corporation		Business Finance Capital	
	California Statewide Certified Development Corporation		WBD, Inc.	
	Mountain West Small Business Finance		Mountain West Small Business Finance	
	WBD, Inc.		Trenton Business Assistance Corporation	
	Small Business Growth Corporation		Capital Certified Development Corporation	
<b>Banks</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	
<b>1st liens</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION		WELLS FARGO BANK, NATIONAL ASSOCIATION	
	ZIONS BANK, A DIVISION OF		TD BANK, NATIONAL ASSOCIATION	
	BANK OF THE WEST		BANK OF AMERICA, NATIONAL ASSOCIATION	
	BANK OF AMERICA, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF	
	ONEWEST BANK, A DIVISION OF		ONEWEST BANK, A DIVISION OF	
	CITY NATIONAL BANK		CITY NATIONAL BANK	
	TD BANK, NATIONAL ASSOCIATION		POPPY BANK	
	POPPY BANK		KEYBANK NATIONAL ASSOCIATION	
	REGIONS BANK		BANK OF THE WEST	
<b>Top States for SBA 504 Loan Approvals</b>				
	<b>FY2019</b>		<b>FY2020 December YTD</b>	
CA		1,208,085,000	CA	354,154,000
FL		412,339,000	FL	159,845,000
TX		256,522,000	TX	129,209,000
IL		207,550,000	NJ	78,152,000
MN		190,950,000	NY	63,900,000
UT		183,172,000	IL	61,089,000
NY		160,502,000	UT	56,423,000
MA		157,783,000	WI	50,637,000
GA		150,372,000	MA	50,226,000
WA		147,113,000	GA	45,176,000
Source: SBA				

### About Us

Bluestone Capital Partners LLC is an SEC-registered investment adviser that provides investment management services to the Bluestone Community Development Fund (BLUCX) and is responsible for the management of the Fund's portfolio of investments.

**Full Yields & Rates Table**

<b>Asset Yields</b>	<b>Current</b>	<b>1-month ago</b>	<b>1 month change</b>	<b>3-months ago</b>	<b>1-year ago</b>	<b>3-years ago</b>
1m US T-Bill (BEY)	0.20%	0.57%	-0.37%	1.53%	2.42%	0.77%
3m US T-Bill (BEY)	0.25%	0.33%	-0.08%	1.54%	2.42%	0.82%
6m US T-Bill (BEY)	0.24%	0.27%	-0.03%	1.56%	2.46%	0.95%
1y US T-Bill	0.25%	0.31%	-0.06%	1.54%	2.42%	1.08%
2y US T-Note	0.23%	0.38%	-0.15%	1.58%	2.35%	1.29%
3y US T-Note	0.29%	0.40%	-0.11%	1.59%	2.31%	1.52%
5y US T-Note	0.41%	0.46%	-0.05%	1.65%	2.31%	1.92%
10y US T-Note	0.73%	0.54%	0.19%	1.85%	2.51%	2.38%
20y US T-Bond	1.15%	0.87%	0.28%	2.17%	2.73%	2.74%
30y US T-Bond	1.35%	0.99%	0.36%	2.38%	2.92%	3.00%
Federal Funds	0.05%	1.08%	-1.03%	1.55%	2.37%	0.91%
Prime Rate	3.25%	4.25%	-1.00%	4.75%	5.50%	4.00%
<b>Swap Rates</b>						
2 Year LIBOR Swap	0.47%	0.54%	-0.07%	1.66%	2.42%	1.57%
5 Year LIBOR Swap	0.57%	0.65%	-0.08%	1.67%	2.30%	1.97%
10 Year LIBOR Swap	0.81%	0.74%	0.07%	1.82%	2.45%	2.30%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	2.84%	2.84%	0.00%	3.79%	4.62%	4.47%
20 Yr	2.96%	2.80%	0.16%	3.64%	4.36%	4.42%
25 Yr	3.03%	2.88%	0.15%	3.71%	4.53%	
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.07%	0.10%	-0.03%	0.10%	0.12%	0.06%
3 Mon. CD - Non Jumbo	0.13%	0.19%	-0.06%	0.19%	0.22%	0.09%
6 Mon. CD - Non Jumbo	0.20%	0.33%	-0.13%	0.34%	0.39%	0.14%
1 Yr CD - Non Jumbo	0.30%	0.48%	-0.18%	0.48%	0.66%	0.24%
2 Yr CD - Non Jumbo	0.40%	0.63%	-0.23%	0.63%	0.84%	0.38%
3 Yr CD - Non Jumbo	0.47%	0.75%	-0.28%	0.75%	1.00%	0.52%
1 Mon. CD - Jumbo	0.08%	0.13%	-0.05%	0.13%	0.15%	0.07%
3 Mon. CD - Jumbo	0.14%	0.22%	-0.08%	0.22%	0.25%	0.10%
6 Mon. CD - Jumbo	0.23%	0.36%	-0.13%	0.39%	0.44%	0.16%
1 Yr CD - Jumbo	0.33%	0.53%	-0.20%	0.54%	0.74%	0.26%
2 Yr CD - Jumbo	0.43%	0.67%	-0.24%	0.68%	0.90%	0.42%
3 Yr CD - Jumbo	0.50%	0.79%	-0.29%	0.80%	1.06%	0.55%
Savings	0.07%	0.09%	-0.02%	0.09%	0.10%	0.06%
Checking	0.05%	0.06%	-0.01%	0.05%	0.06%	0.04%
Money Market - Non Jumbo	0.11%	0.16%	-0.05%	0.15%	0.18%	0.08%
Money Market - Jumbo	0.19%	0.28%	-0.09%	0.24%	0.29%	0.12%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.01%	1.10%	-1.09%	1.55%	2.46%	
FHLB Fixed Advances (30 day, < \$15m)	0.80%	0.90%	-0.10%	1.78%	2.61%	1.08%

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