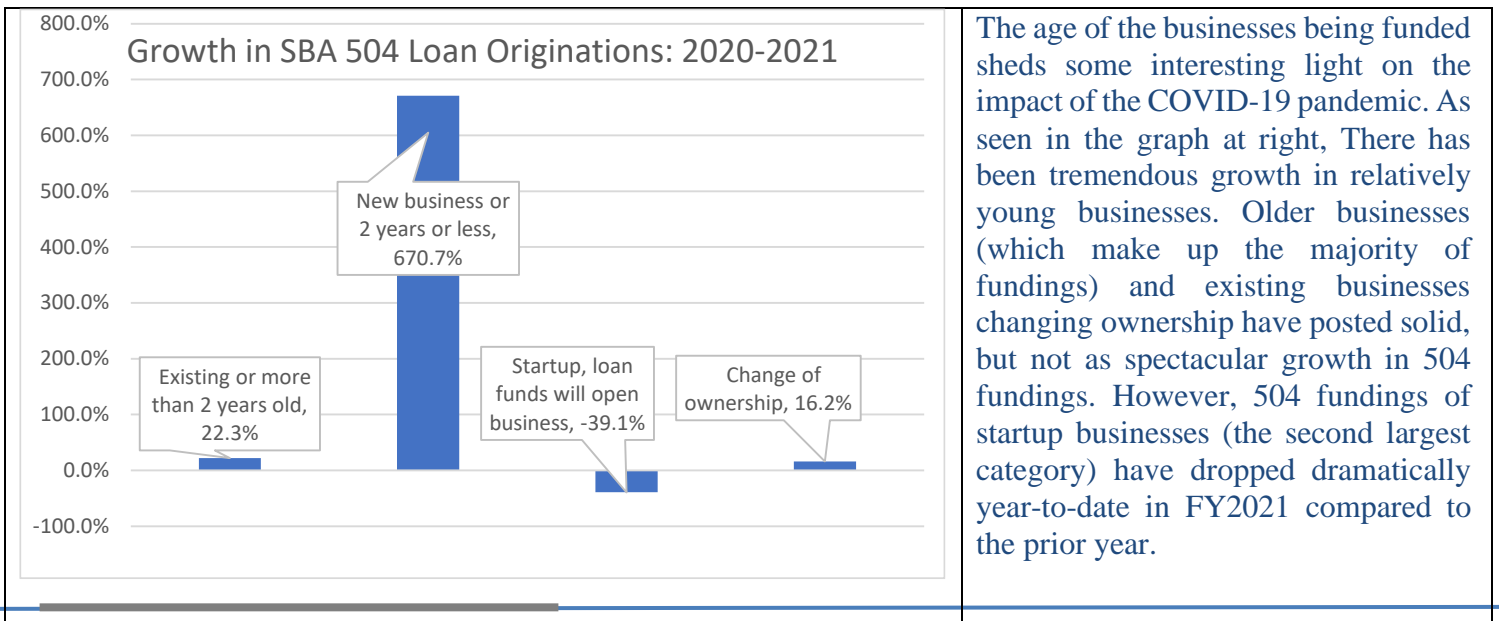


Though we might have expected the re-start of the PPP program to take some of the air out of SBA 504 market, that is not what has happened. In fact, loan activity accelerated again in January 2021. Through February 5, 2021, SBA 504 loan originations are up 9.7% compared to the prior year, reaching \$2.43 billion year-to-date in FY2021 versus \$2.22 billion during the same period in FY2020. Last month, originations were up 6.8% compared to the prior year. Unpaid Principal Balance of SBA 504 loan figures for the June 2020, September 2020, and December 2020 quarters have still not been updated, and they stood at \$25.72 billion as of March 31, 2020, down 0.2% compared to the \$25.83 billion figure at year-end FY2019. SBA 7(a) loan originations are now down 11.0% through February 5, 2021 (they were down 9.9% through January 8, 2020) compared to the same period in FY2020 and the unpaid principal balance of 7(a) loans is \$95.64 billion at March 31, 2020, up 0.6% compared to year-end FY2019.



While 7(a) loan outstandings were still growing at solid pace through the end of FY2019 (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 published 504 loan figures in 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. If the first lien loan and borrower investment were included, the 504 loan totals would be a bit closer to 7(a) loan totals.



The age of the businesses being funded sheds some interesting light on the impact of the COVID-19 pandemic. As seen in the graph at right, There has been tremendous growth in relatively young businesses. Older businesses (which make up the majority of fundings) and existing businesses changing ownership have posted solid, but not as spectacular growth in 504 fundings. However, 504 fundings of startup businesses (the second largest category) have dropped dramatically year-to-date in FY2021 compared to the prior year.

News Blurb of the Month — Fed proposing revamp of landmark law that aims to prevent discrimination in lending. Jacquinn Sinclair, Federal Reserve Bank of Boston

January 28, 2021 – The Federal Reserve System is aiming to significantly modernize the [Community Reinvestment Act](#), a rule developed largely to combat racial discrimination in lending – or “redlining” – in low-to moderate-income communities.

<https://www.bostonfed.org/news-and-events/news/2021/01/fed-revamps-community-reinvestment-act-cra-to-prevent-discrimination-in-lending.aspx>

Top SBA 504 Lenders			
	FY2019		FY2020
CDCs	Mortgage Capital Development Corporation		Florida First Capital Finance Corporation, Inc.
2nd liens	CDC Small Business Finance Corporation		Mortgage Capital Development Corporation
	Florida First Capital Finance Corporation, Inc.		Business Finance Capital
	Empire State Certified Development Corporation		CDC Small Business Finance Corporation
	Business Finance Capital		Florida Business Development Corporation
	Florida Business Development Corporation		Empire State Certified Development Corporation
	California Statewide Certified Development Corporation		WBD, Inc.
	Mountain West Small Business Finance		California Statewide Certified Development Corporation
	WBD, Inc.		Mountain West Small Business Finance
	Small Business Growth Corporation		Small Business Growth Corporation
Banks	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION		BANK OF THE WEST
	ZIONS BANK, A DIVISION OF		WELLS FARGO BANK, NATIONAL ASSOCIATION
	BANK OF THE WEST		ONEWEST BANK, A DIVISION OF
	BANK OF AMERICA, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF
	ONEWEST BANK, A DIVISION OF		CITY NATIONAL BANK
	CITY NATIONAL BANK		BANK OF AMERICA, NATIONAL ASSOCIATION
	TD BANK, NATIONAL ASSOCIATION		TD BANK, NATIONAL ASSOCIATION
	POPPY BANK		TRUIST BANK D/B/A BRANCH BANKING & TRUST CO
	REGIONS BANK		CALPRIVATE BANK
Top States for SBA 504 Loan Approvals			
	FY2019		FY2020
CA	1,211,232,000	CA	1,406,974,000
FL	415,715,000	FL	564,063,000
TX	257,771,000	TX	345,835,000
IL	208,880,000	IL	227,596,000
MN	192,746,000	WI	207,923,000
UT	182,862,000	UT	206,038,000
NY	160,658,000	NY	185,713,000
MA	157,867,000	MN	168,299,000
GA	150,931,000	MA	162,092,000
WA	147,771,000	NJ	155,131,000
Source: SBA		SBA Fiscal Years end on September 30	

About Us

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Full Yields & Rates Table

Asset Yields	Current	1-month ago	1 month change	3-months ago	1-year ago	3-years ago
1m US T-Bill (BEY)	0.03%	0.09%	-0.06%	0.10%	1.57%	1.35%
3m US T-Bill (BEY)	0.04%	0.09%	-0.05%	0.10%	1.58%	1.62%
6m US T-Bill (BEY)	0.05%	0.09%	-0.04%	0.10%	1.56%	1.82%
1y US T-Bill	0.06%	0.11%	-0.05%	0.13%	1.49%	1.93%
2y US T-Note	0.11%	0.14%	-0.03%	0.17%	1.44%	2.09%
3y US T-Note	0.20%	0.23%	-0.03%	0.23%	1.42%	2.30%
5y US T-Note	0.50%	0.50%	0.00%	0.40%	1.45%	2.56%
10y US T-Note	1.20%	1.15%	0.05%	0.88%	1.62%	2.86%
20y US T-Bond	1.83%	1.68%	0.15%	1.42%	1.93%	3.02%
30y US T-Bond	2.01%	1.88%	0.13%	1.64%	2.09%	3.14%
Federal Funds	0.08%	0.09%	-0.01%	0.09%	1.58%	1.42%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	2.25%	2.00%
Prime Rate	3.25%	3.25%	0.00%	3.25%	4.75%	4.50%
TED Spread	0.15%	0.14%	-0.01%	0.12%	0.14%	0.27%
Swap Rates						
2 Year LIBOR Swap	0.22%	0.24%	-0.02%	0.26%	1.49%	2.32%
5 Year LIBOR Swap	0.61%	0.61%	0.00%	0.44%	1.45%	2.66%
10 Year LIBOR Swap	1.26%	1.19%	0.07%	0.84%	1.59%	2.88%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.44%	2.44%	0.00%	2.42%	3.79%	4.64%
20 Yr	2.71%	2.65%	0.06%	2.52%	3.39%	4.93%
25 Yr	2.75%	2.69%	0.06%	2.55%	3.46%	
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	3.53%	3.84%	-0.31%	2.42%	3.08%	3.84%
10 Yr Variable	3.24%	3.44%	-0.20%	3.37%	3.78%	4.17%
Depository Rates						
1 Mon. CD - Non Jumbo	0.04%	0.05%	-0.01%	0.05%	0.10%	0.07%
3 Mon. CD - Non Jumbo	0.07%	0.07%	0.00%	0.08%	0.19%	0.11%
6 Mon. CD - Non Jumbo	0.10%	0.11%	-0.01%	0.11%	0.33%	0.18%
1 Yr CD - Non Jumbo	0.15%	0.17%	-0.02%	0.18%	0.48%	0.30%
2 Yr CD - Non Jumbo	0.20%	0.22%	-0.02%	0.23%	0.62%	0.46%
3 Yr CD - Non Jumbo	0.24%	0.26%	-0.02%	0.28%	0.74%	0.61%
1 Mon. CD - Jumbo	0.05%	0.05%	0.00%	0.05%	0.12%	0.08%
3 Mon. CD - Jumbo	0.07%	0.08%	-0.01%	0.08%	0.22%	0.13%
6 Mon. CD - Jumbo	0.11%	0.12%	-0.01%	0.13%	0.37%	0.20%
1 Yr CD - Jumbo	0.16%	0.18%	-0.02%	0.19%	0.53%	0.33%
2 Yr CD - Jumbo	0.21%	0.23%	-0.02%	0.24%	0.67%	0.49%
3 Yr CD - Jumbo	0.25%	0.27%	-0.02%	0.28%	0.79%	0.64%
Savings	0.05%	0.05%	0.00%	0.05%	0.09%	0.07%
Checking	0.04%	0.04%	0.00%	0.04%	0.06%	0.04%
Money Market - Non Jumbo	0.06%	0.07%	-0.01%	0.07%	0.16%	0.10%
Money Market - Jumbo	0.11%	0.13%	-0.02%	0.13%	0.28%	0.15%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.06%	0.08%	-0.02%	0.09%	1.57%	NA
FHLB Fixed Advances (30 day, < \$15m)	0.32%	0.36%	-0.04%	0.37%	1.82%	1.66%

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