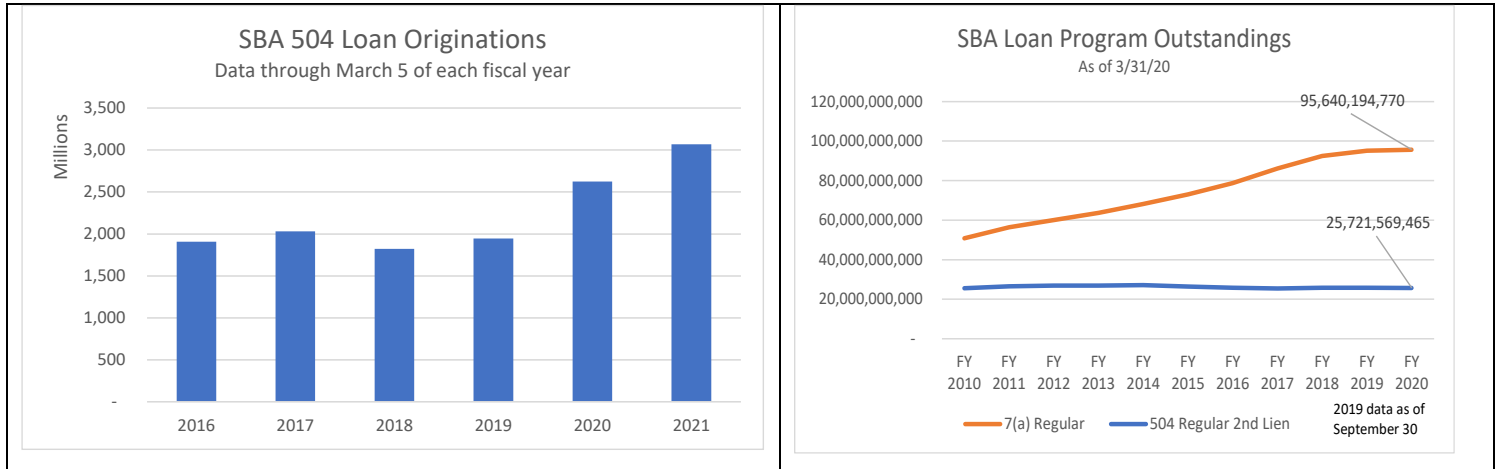
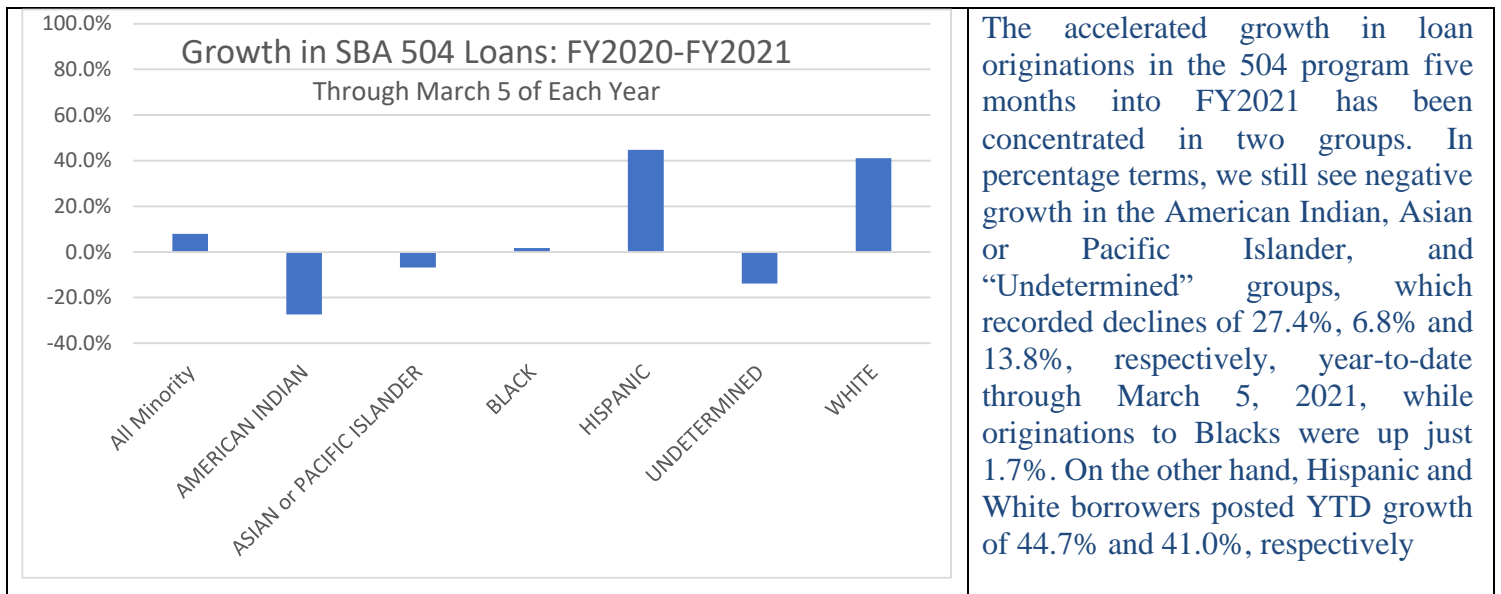


Originations of SBA 504 loans continue to chug along in FY2021, as loan activity accelerated once again in February. Through March 5, 2021, SBA 504 loan originations are up 16.8% compared to the prior year, reaching \$3.07 billion year-to-date in FY2021 versus \$2.63 billion during the same period in FY2020. Last month, originations were up 9.7% 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 have recovered some and are now down 4.2% through March 5, 2021 (they were down 11.0% through February 5, 2021) 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 accelerated growth in loan originations in the 504 program five months into FY2021 has been concentrated in two groups. In percentage terms, we still see negative growth in the American Indian, Asian or Pacific Islander, and “Undetermined” groups, which recorded declines of 27.4%, 6.8% and 13.8%, respectively, year-to-date through March 5, 2021, while originations to Blacks were up just 1.7%. On the other hand, Hispanic and White borrowers posted YTD growth of 44.7% and 41.0%, respectively

## News Blurb of the Month — Interagency Breakthrough on CRA Looks to be in Reach. Brendan Pedersen, American Banker

**March 1, 2021** – During the Trump era, the bank regulators couldn't see eye to eye on how to modernize the Community Reinvestment Act. But a looming leadership change atop the Office of the Comptroller of the Currency is boosting optimism that they can harmonize their approaches.

<https://www.americanbanker.com/news/interagency-breakthrough-on-cra-looks-to-be-in-reach>

### Top SBA 504 Lenders

	FY2020		FY2021 (Through Dec.31, 2020)
<b>CDCs</b>	Florida First Capital Finance Corporation, Inc.		Mortgage Capital Development Corporation
2nd Liens	Mortgage Capital Development Corporation		CDC Small Business Finance Corporation
	Business Finance Capital		Florida First Capital Finance Corporation, Inc.
	CDC Small Business Finance Corporation		Business Finance Capital
	Florida Business Development Corporation		Empire State Certified Development Corporation
	Empire State Certified Development Corporation		Florida Business Development Corporation
	WBD, Inc.		Mountain West Small Business Finance
	California Statewide Certified Development Corporation		California Statewide Certified Development Corporation
	Mountain West Small Business Finance		WBD, Inc.
	Small Business Growth Corporation		Small Business Growth Corporation
	<b>Total</b>		<b>Total</b>
<b>Banks</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		WELLS FARGO BANK, NATIONAL ASSOCIATION
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
	BANK OF THE WEST		BANK OF AMERICA, NATIONAL ASSOCIATION
	ONEWEST BANK, A DIVISION OF		ONEWEST BANK, A DIVISION OF
	CITY NATIONAL BANK		BANK OF THE WEST
	TD BANK, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF
	ZIONS BANK, A DIVISION OF		FIRST CITIZENS BANK
	BANK OF AMERICA, NATIONAL ASSOCIATION		MUFG UNION BANK, NATIONAL ASSOCIATION
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO		CITY NATIONAL BANK
	BANK FIVE NINE		LIVE OAK BANKING COMPANY
	<b>Total</b>		<b>Total</b>

### Top States for SBA 504 Loan Approvals

	FY2020		FY2021 (Through Dec. 31, 2020)
CA	\$1,408,317,000	CA	\$473,508,000
FL	\$565,104,000	FL	\$168,601,000
TX	\$346,236,000	TX	\$88,695,000
IL	\$227,667,000	IL	\$70,439,000
WI	\$208,438,000	UT	\$69,806,000
UT	\$206,532,000	NY	\$68,840,000
NY	\$186,596,000	WI	\$60,309,000
MN	\$168,373,000	MN	\$58,026,000
MA	\$162,099,000	MA	\$55,331,000
NJ	\$155,137,000	CO	\$50,641,000

Source: SBA

SBA Fiscal Years end on September 30

#### 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)	0.03%	0.05%	-0.02%	0.07%	0.57%	1.57%
3m US T-Bill (BEY)	0.04%	0.05%	-0.01%	0.08%	0.44%	1.67%
6m US T-Bill (BEY)	0.06%	0.06%	0.00%	0.09%	0.43%	1.89%
1y US T-Bill	0.08%	0.07%	0.01%	0.10%	0.43%	2.03%
2y US T-Note	0.16%	0.11%	0.05%	0.14%	0.50%	2.27%
3y US T-Note	0.32%	0.19%	0.13%	0.20%	0.58%	2.45%
5y US T-Note	0.80%	0.46%	0.34%	0.39%	0.63%	2.65%
10y US T-Note	1.53%	1.15%	0.38%	0.92%	0.76%	2.90%
20y US T-Bond	2.15%	1.75%	0.40%	1.44%	1.16%	3.04%
30y US T-Bond	2.24%	1.92%	0.32%	1.65%	1.28%	3.16%
Federal Funds	0.07%	0.08%	-0.01%	0.09%	1.09%	1.42%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	1.75%	2.00%
Prime Rate	3.25%	3.25%	0.00%	3.25%	4.25%	4.50%
TED Spread	0.13%	0.16%	0.00%	0.14%	0.44%	0.42%
<b>Swap Rates</b>						
2 Year LIBOR Swap	0.25%	0.22%	0.03%	0.23%	0.48%	2.59%
5 Year LIBOR Swap	0.86%	0.59%	0.27%	0.55%	0.63%	2.82%
10 Year LIBOR Swap	1.52%	1.22%	0.30%	1.11%	0.77%	2.84%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	2.68%	2.44%	0.24%	2.42%	2.84%	5.10%
20 Yr	3.00%	2.71%	0.29%	2.58%	2.80%	4.91%
25 Yr	3.04%	2.75%	0.29%	2.62%	2.88%	
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	3.54%	3.52%	0.02%	2.34%	2.89%	3.97%
10 Yr Variable	3.25%	3.24%	0.01%	3.19%	3.47%	4.25%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.04%	0.04%	0.00%	0.05%	0.10%	0.07%
3 Mon. CD - Non Jumbo	0.06%	0.07%	-0.01%	0.07%	0.18%	0.12%
6 Mon. CD - Non Jumbo	0.10%	0.10%	0.00%	0.11%	0.30%	0.19%
1 Yr CD - Non Jumbo	0.14%	0.15%	-0.01%	0.16%	0.46%	0.32%
2 Yr CD - Non Jumbo	0.19%	0.20%	-0.01%	0.21%	0.59%	0.48%
3 Yr CD - Non Jumbo	0.23%	0.24%	-0.01%	0.26%	0.71%	0.63%
1 Mon. CD - Jumbo	0.05%	0.05%	0.00%	0.05%	0.12%	0.08%
3 Mon. CD - Jumbo	0.07%	0.07%	0.00%	0.08%	0.21%	0.13%
6 Mon. CD - Jumbo	0.10%	0.11%	-0.01%	0.12%	0.34%	0.20%
1 Yr CD - Jumbo	0.15%	0.16%	-0.01%	0.17%	0.50%	0.35%
2 Yr CD - Jumbo	0.20%	0.21%	-0.01%	0.23%	0.64%	0.51%
3 Yr CD - Jumbo	0.24%	0.25%	-0.01%	0.27%	0.76%	0.66%
Savings	0.04%	0.05%	-0.01%	0.05%	0.09%	0.07%
Checking	0.03%	0.04%	-0.01%	0.04%	0.06%	0.04%
Money Market - Non Jumbo	0.06%	0.06%	0.00%	0.07%	0.15%	0.10%
Money Market - Jumbo	0.11%	0.11%	0.00%	0.12%	0.27%	0.16%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.02%	0.06%	-0.04%	0.08%	1.11%	NA
FHLB Fixed Advances (30 day, < \$15m)	0.29%	0.32%	-0.03%	0.34%	0.90%	1.85%

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