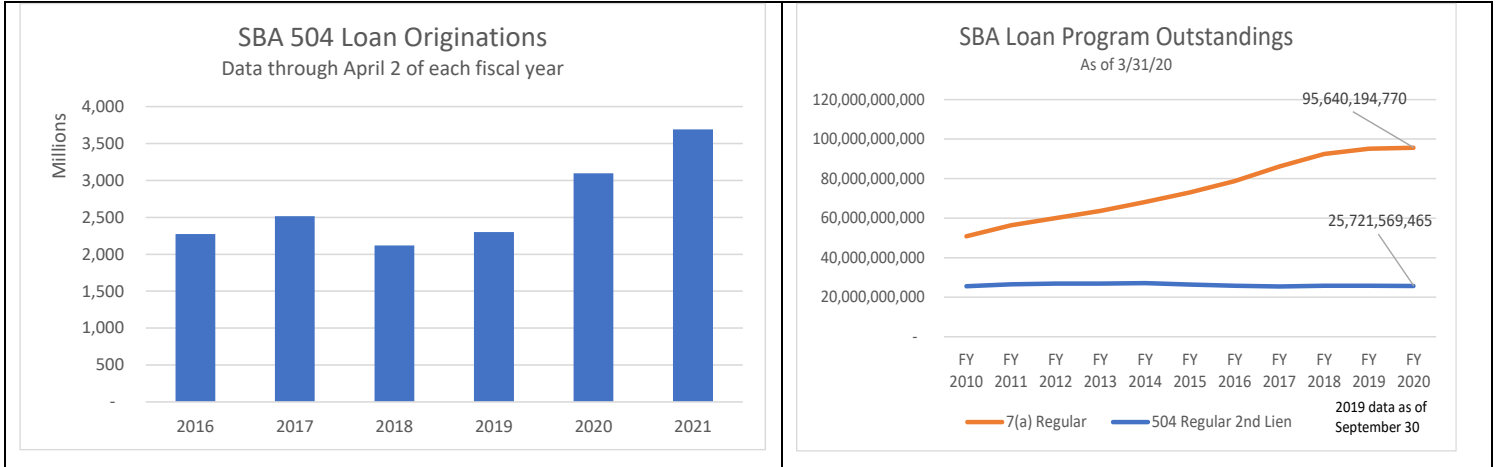
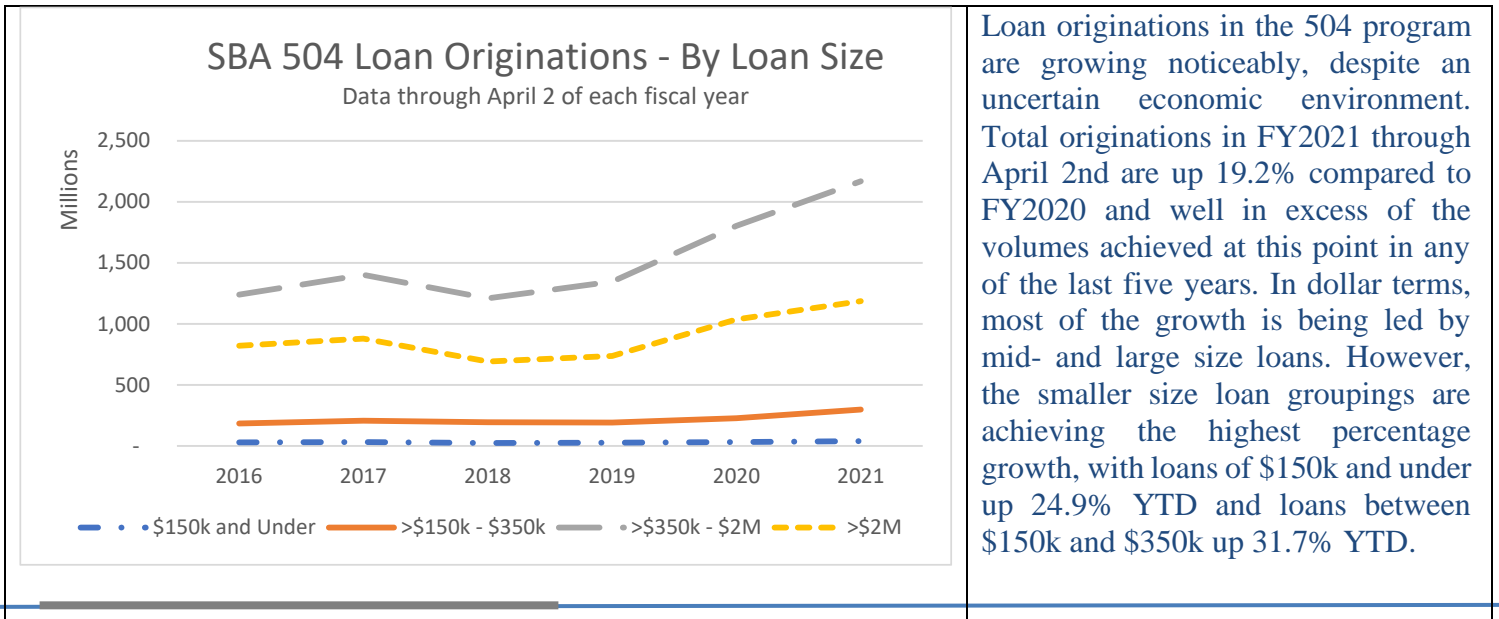


Originations of SBA 504 loans are accelerating as vaccinations proceed and COVID-19 restrictions are eased in some parts of the country, leading to increased loan activity in March. Through April 2, 2021, SBA 504 loan originations are up 19.2% compared to the prior year, reaching \$3.69 billion year-to-date in FY2021 versus \$3.10 billion during the same period in FY2020. Last month, originations were up 16.8% compared to the prior year. Unpaid Principal Balance of SBA 504 loan figures for the June 2020, September 2020, December 2020, and March 2021 quarters have still not been updated. 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 accelerated much like 504 originations and are now up 7.4% through April 2, 2021 (they were down 4.2% through March 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.



Loan originations in the 504 program are growing noticeably, despite an uncertain economic environment. Total originations in FY2021 through April 2nd are up 19.2% compared to FY2020 and well in excess of the volumes achieved at this point in any of the last five years. In dollar terms, most of the growth is being led by mid- and large size loans. However, the smaller size loan groupings are achieving the highest percentage growth, with loans of \$150k and under up 24.9% YTD and loans between \$150k and \$350k up 31.7% YTD.

## News Blurb of the Month – How racial justice push sparked new CRA law in Illinois. Kevin Wack, American Banker

**March 30, 2021** – A new Illinois law that is designed to push state-regulated financial institutions to invest more in underserved communities grew out of the racial justice movement that swept the nation last year. <https://www.americanbanker.com/news/how-racial-justice-push-sparked-new-cra-law-in-illinois>

### Top SBA 504 Lenders

	FY2020			FY2021 (Through Dec.31, 2020)
<b>CDCs</b>	Florida First Capital Finance Corporation, Inc.			Mortgage Capital Development Corporation
<b>2nd Liens</b>	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
<b>1st liens</b>	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)	0.02%	0.04%	-0.02%	0.08%	0.20%	1.67%
3m US T-Bill (BEY)	0.02%	0.05%	-0.03%	0.08%	0.25%	1.76%
6m US T-Bill (BEY)	0.03%	0.07%	-0.04%	0.09%	0.24%	1.93%
1y US T-Bill	0.06%	0.10%	-0.04%	0.10%	0.25%	2.08%
2y US T-Note	0.16%	0.17%	-0.01%	0.14%	0.23%	2.29%
3y US T-Note	0.35%	0.35%	0.00%	0.24%	0.29%	2.43%
5y US T-Note	0.87%	0.83%	0.04%	0.49%	0.41%	2.60%
10y US T-Note	1.67%	1.55%	0.12%	1.13%	0.73%	2.78%
20y US T-Bond	2.23%	2.16%	0.07%	1.67%	1.15%	2.89%
30y US T-Bond	2.34%	2.26%	0.08%	1.87%	1.35%	3.02%
Federal Funds	0.07%	0.07%	0.00%	0.09%	0.05%	1.69%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	0.25%	2.25%
Prime Rate	3.25%	3.25%	0.00%	3.25%	3.25%	4.75%
TED Spread	0.17%	0.13%	0.00%	0.14%	0.97%	0.58%
<b>Swap Rates</b>						
2 Year LIBOR Swap	0.31%	0.27%	0.04%	0.23%	0.47%	2.61%
5 Year LIBOR Swap	1.02%	0.92%	0.10%	0.55%	0.57%	2.73%
10 Year LIBOR Swap	1.72%	1.58%	0.14%	1.11%	0.81%	2.76%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	2.68%	2.68%	0.00%	2.44%	2.84%	5.10%
20 Yr	3.02%	3.00%	0.02%	2.65%	2.96%	5.02%
25 Yr	3.07%	3.04%	0.03%	2.69%	3.03%	
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	3.73%	3.54%	0.19%	2.24%	2.86%	3.93%
10 Yr Variable	3.37%	3.25%	0.12%	3.17%	3.42%	4.23%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.03%	0.04%	-0.01%	0.04%	0.07%	0.07%
3 Mon. CD - Non Jumbo	0.07%	0.06%	0.01%	0.07%	0.13%	0.12%
6 Mon. CD - Non Jumbo	0.10%	0.10%	0.00%	0.10%	0.20%	0.20%
1 Yr CD - Non Jumbo	0.15%	0.14%	0.01%	0.16%	0.30%	0.34%
2 Yr CD - Non Jumbo	0.19%	0.19%	0.00%	0.21%	0.40%	0.51%
3 Yr CD - Non Jumbo	0.21%	0.23%	-0.02%	0.25%	0.47%	0.66%
Savings	0.07%	0.04%	0.03%	0.05%	0.07%	0.07%
Checking	0.03%	0.03%	0.00%	0.04%	0.05%	0.05%
Money Market - Non Jumbo	0.10%	0.06%	0.04%	0.07%	0.11%	0.10%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.01%	0.02%	-0.01%	0.10%	0.01%	1.75%
FHLB Fixed Advances (30 day, < \$15m)	0.28%	0.30%	-0.02%	0.36%	0.64%	1.91%

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