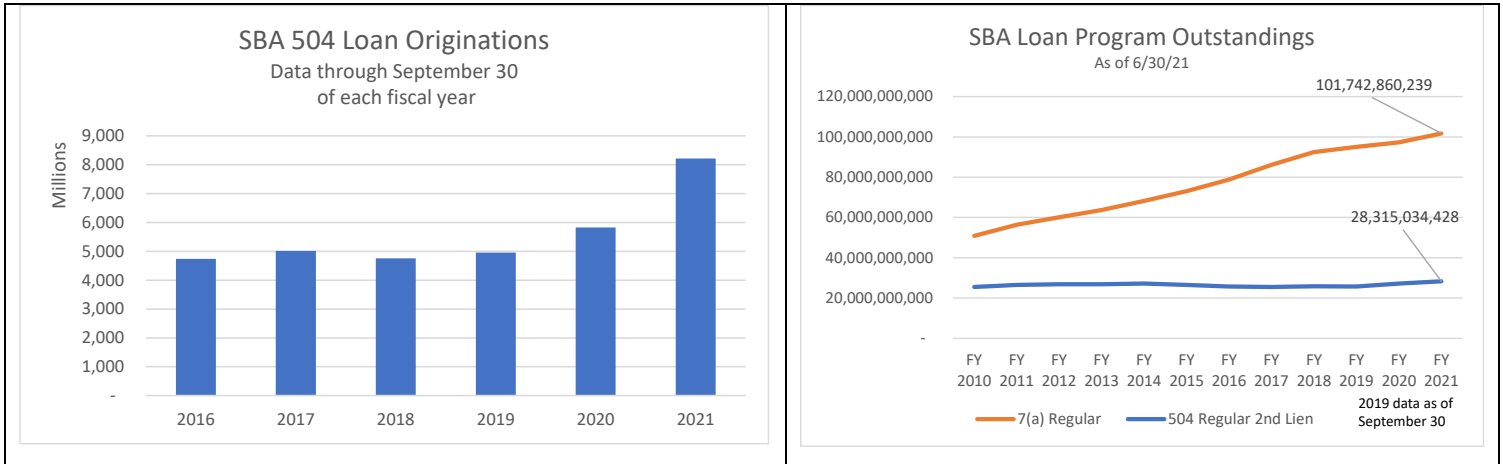
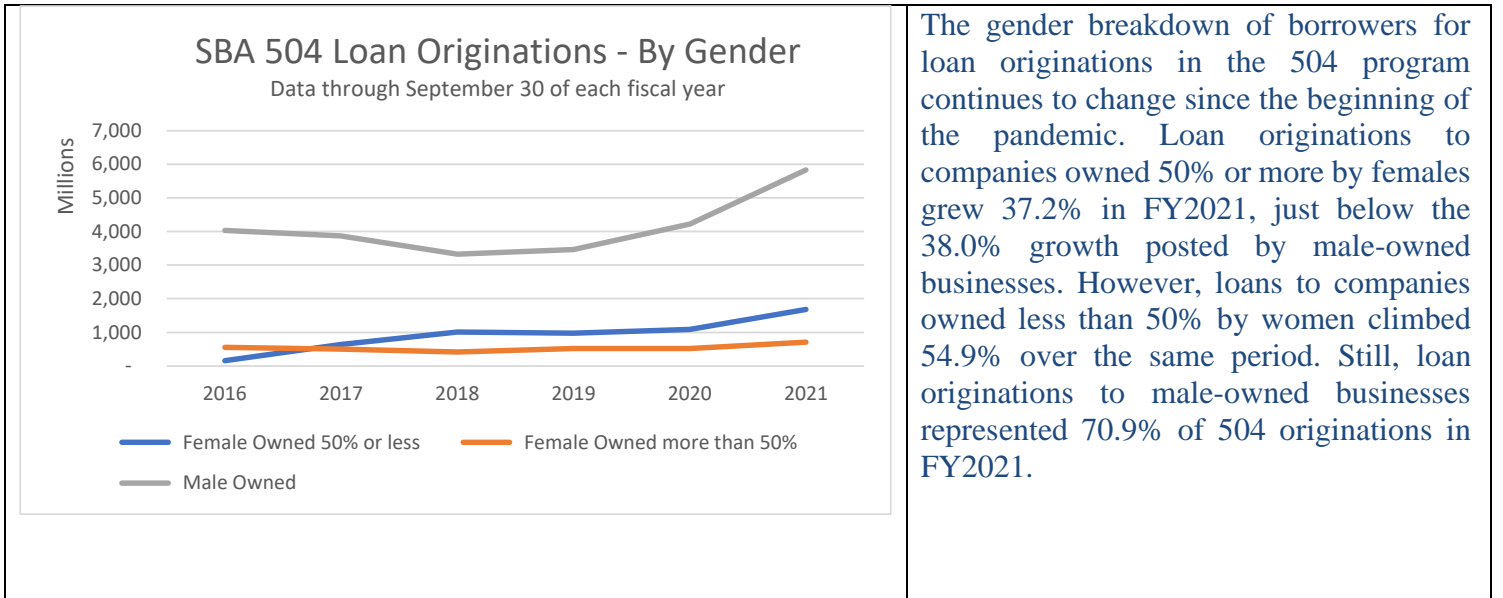


Originations of SBA 504 loans slowed down a bit as the SBA’s fiscal year came to a close on September 30. However, originations for the full fiscal year 2021 still grew 41.0% compared to FY2020, reaching \$8.22 billion in FY2021 versus \$5.83 billion in FY2020. Last month, originations were up 51.9% compared to the prior year. Unpaid Principal Balance of SBA 504 loan stood at \$28.32 billion as of June 30, 2021, up 4.1% compared to the \$27.20 billion figure at year-end FY2020. SBA 7(a) loan originations accelerated towards the fiscal year-end. They are now up 62.0% through September 30, 2021 (they were up 57.7% through Sept. 3, 2021) compared to the same period in FY2020 and the unpaid principal balance of 7(a) loans is \$101.74 billion at June 30, 2021, up 4.6% compared to year-end FY2020.



The 7(a) program has shown steady growth in loan outstandings in recent years that continued through the end of FY2021 (4.6% in FY2021, 2.3% in FY2020, and 2.9% in FY2019). 504 loans have advanced at a slower pace, but outstandings grew 4.1% to \$28.3 billion at year-end FY2021. Of course, the published 504 loan figures in the chart above include 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 financing typically accounts for another 50% of 504 projects, meaning the actual program totals would be more than double the figures shown in the graph above.



The gender breakdown of borrowers for loan originations in the 504 program continues to change since the beginning of the pandemic. Loan originations to companies owned 50% or more by females grew 37.2% in FY2021, just below the 38.0% growth posted by male-owned businesses. However, loans to companies owned less than 50% by women climbed 54.9% over the same period. Still, loan originations to male-owned businesses represented 70.9% of 504 originations in FY2021.

News Blurb(s) of the Month — Tug-of-war over anti-redlining law heads back to the drawing board, By Kathryn Brenzel, The Real Deal

October 11, 2021 – On September 8, 2021, the Office of the Comptroller of the Currency (OCC) issued a proposal to rescind the Community Reinvestment Act (CRA) rule that the OCC published in June 2020 and replace it with rules based largely on the rules adopted jointly by the federal banking agencies in 1995.

<https://therealdeal.com/2021/10/11/tug-of-war-over-anti-redlining-law-heads-back-to-the-drawing-board/>

Top SBA 504 Lenders				
	FY2020 (Through Sep. 30, 2020)	Volume (\$Millions)	FY2021 (Through Jun.30, 2021)	Volume (\$Millions)
CDCs	Florida First Capital Finance Corporation, Inc.	\$346.9	Mortgage Capital Development Corporation	\$334.0
2nd Liens	Mortgage Capital Development Corporation	\$307.1	CDC Small Business Finance Corporation	\$322.1
	Business Finance Capital	\$300.0	Business Finance Capital	\$302.5
	CDC Small Business Finance Corporation	\$292.8	Florida First Capital Finance Corporation, Inc.	\$271.4
	Florida Business Development Corporation	\$260.4	Empire State Certified Development Corporation	\$259.9
	Empire State Certified Development Corporation	\$250.3	Florida Business Development Corporation	\$220.8
	WBD, Inc.	\$198.4	California Statewide Certified Development Corpora	\$195.3
	California Statewide Certified Development Corpora	\$189.0	Mountain West Small Business Finance	\$186.9
	Mountain West Small Business Finance	\$171.7	WBD, Inc.	\$171.7
	Small Business Growth Corporation	\$126.6	Small Business Growth Corporation	\$162.2
	Total	\$5,886.7	Total	\$5,752.1
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$318.5	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$288.1
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$192.5
1st liens	BANK OF THE WEST	\$183.6	BANK OF AMERICA, NATIONAL ASSOCIATION	\$156.2
	ONEWEST BANK, A DIVISION OF	\$156.1	CITY NATIONAL BANK	\$147.8
	CITY NATIONAL BANK	\$141.3	ONEWEST BANK, A DIVISION OF	\$119.5
	TD BANK, NATIONAL ASSOCIATION	\$134.9	BANK OF THE WEST	\$100.2
	ZIONS BANK, A DIVISION OF	\$124.9	BANK FIVE NINE	\$98.0
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$116.2	TD BANK, NATIONAL ASSOCIATION	\$95.0
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$80.1	ZIONS BANK, A DIVISION OF	\$85.4
	BANK FIVE NINE	\$74.2	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$81.4
	Total	\$7,759.0	Total	\$7,483.2

Top States for SBA 504 Loan Approvals				
	FY2020 (Through Sep. 30, 2020)		FY2021 (Through Jun. 30, 2021)	
CA	\$1,412,326,000	CA	\$1,393,779,000	
FL	\$567,471,000	FL	\$474,136,000	
TX	\$347,419,000	TX	\$292,343,000	
IL	\$229,715,000	NY	\$238,381,000	
WI	\$208,972,000	UT	\$224,717,000	
UT	\$207,079,000	IL	\$222,893,000	
NY	\$186,610,000	MN	\$186,241,000	
MN	\$168,751,000	WI	\$183,451,000	
MA	\$162,183,000	CO	\$171,809,000	
WA	\$156,494,000	GA	\$162,314,000	
Source: SBA			SBA Fiscal Years end on September 30	

About Us

Equalize Capital 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

Asset Yields	Current	1-month ago	1 month change	3-months ago	1-year ago	3-years ago
1m US T-Bill (BEY)	0.02%	0.05%	-0.03%	0.06%	0.09%	2.15%
3m US T-Bill (BEY)	0.05%	0.05%	0.00%	0.06%	0.09%	2.23%
6m US T-Bill (BEY)	0.07%	0.06%	0.01%	0.06%	0.12%	2.41%
1y US T-Bill	0.09%	0.08%	0.01%	0.07%	0.13%	2.64%
2y US T-Note	0.32%	0.22%	0.10%	0.19%	0.13%	2.88%
3y US T-Note	0.59%	0.43%	0.16%	0.37%	0.18%	2.99%
5y US T-Note	1.05%	0.81%	0.24%	0.74%	0.33%	3.07%
10y US T-Note	1.61%	1.35%	0.26%	1.30%	0.78%	3.23%
20y US T-Bond	2.11%	1.88%	0.23%	1.84%	1.34%	3.34%
30y US T-Bond	2.16%	1.95%	0.21%	1.91%	1.57%	3.40%
Federal Funds	0.08%	0.08%	0.00%	0.10%	0.09%	NA
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	0.25%	2.75%
Prime Rate	3.25%	3.25%	0.00%	3.25%	3.25%	5.25%
TED Spread	0.07%	0.07%	0.01%	0.06%	0.13%	NA
Swap Rates						
2 Year LIBOR Swap	0.47%	0.33%	0.14%	0.31%	0.26%	3.04%
5 Year LIBOR Swap	1.15%	0.92%	0.23%	0.87%	0.43%	3.12%
10 Year LIBOR Swap	1.64%	1.37%	0.27%	1.34%	0.83%	3.27%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.37%	2.67%	-0.30%	2.59%	2.47%	5.15%
20 Yr	2.77%	2.86%	-0.09%	2.69%	2.55%	5.15%
25 Yr	2.91%	2.97%	-0.06%	2.81%	2.58%	5.21%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	3.13%	3.03%	0.10%	2.30%	2.47%	4.21%
10 Yr Variable	3.00%	2.94%	0.06%	2.99%	3.17%	4.62%
Depository Rates						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.03%	0.05%	0.10%
3 Mon. CD - Non Jumbo	0.06%	0.07%	-0.01%	0.07%	0.08%	0.17%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.12%	0.27%
1 Yr CD - Non Jumbo	0.14%	0.14%	0.00%	0.14%	0.18%	0.47%
2 Yr CD - Non Jumbo	0.17%	0.17%	0.00%	0.17%	0.23%	0.67%
3 Yr CD - Non Jumbo	0.21%	0.21%	0.00%	0.20%	0.27%	0.81%
Savings	0.06%	0.06%	0.00%	0.06%	0.05%	0.09%
Checking	0.03%	0.03%	0.00%	0.03%	0.04%	0.06%
Money Market - Non Jumbo	0.08%	0.09%	-0.01%	0.09%	0.07%	0.15%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.05%	0.05%	0.00%	0.05%	0.09%	NA
FHLB Fixed Advances (30 day, < \$15m)	0.32%	0.30%	0.02%	0.31%	0.38%	2.42%

About Us

Equalize Capital 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.