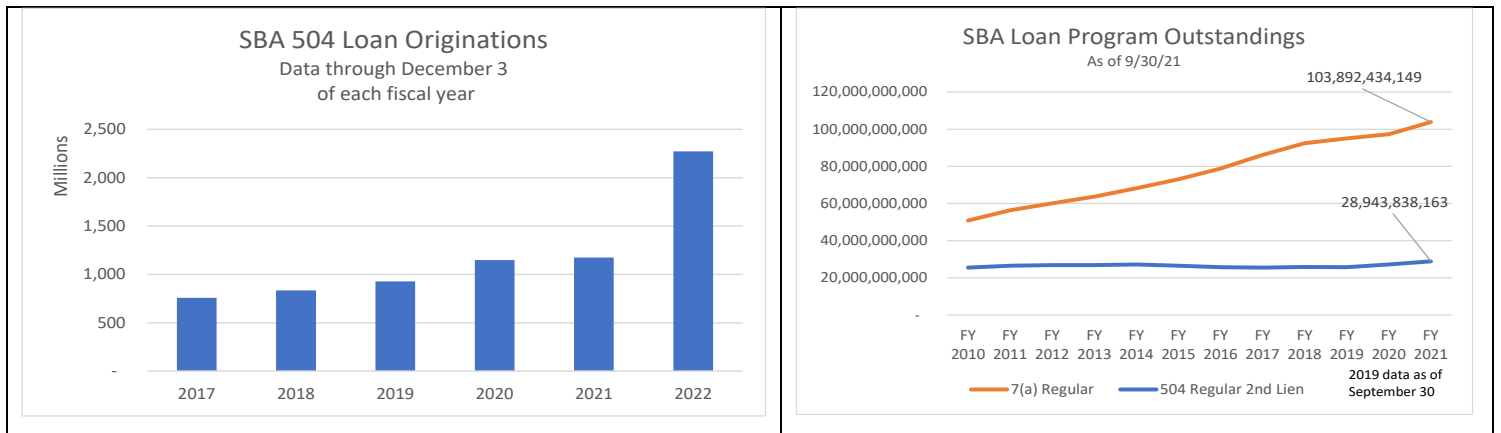
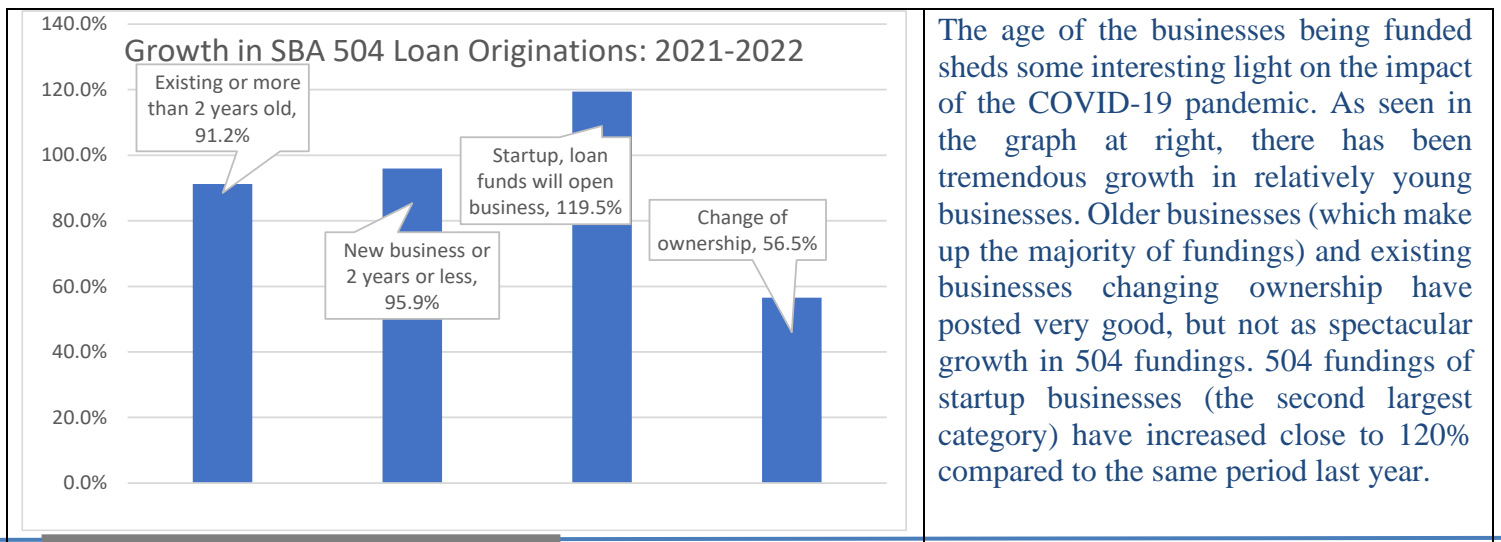


SBA 504 loan originations continued to set a blistering pace in the new SBA fiscal year (FY2022). Nine weeks into the new fiscal year (started October 1<sup>st</sup>), 504 loan originations are up 93.2% compared to the same period a year ago. This is not due to COVID slowdowns in the prior year. Originations this year are up 197.9% compared to the same period two years ago, which was pre-COVID. Originations were up 163.4% from the prior year one month ago, so while still showing exceptional growth, the pace has slowed some in recent weeks. Unpaid Principal Balance of SBA 504 loans stood at \$28.94 billion as of September 30, 2021, up 6.4% compared to the \$27.20 billion figure at year-end FY2020. SBA 7(a) loan originations started the year more slowly, exhibiting an 11.1% decline compared to the same period the previous year, but this is an improvement from a month ago, when originations were down 28.5% compared to the same period in FY2021. The unpaid principal balance of 7(a) loans is \$103.89 billion at September 30, 2021, up 6.8% 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 (6.8% in FY2021, 2.3% in FY2020, and 2.9% in FY2019). 504 loans have shown accelerating growth, rising 6.4% to \$28.9 billion at year-end FY2021, after climbing 5.5% in FY2020 and (0.2%) in FY2019. Of course, the published 504 loan figures in the chart above include only the CDC/SBA second lien portion of a 504 loan package, If we include the private lender portion of the same loan projects, which typically accounts for 50% of 504 projects, The total for SBA 504 loan outstandings (1<sup>st</sup> and 2<sup>nd</sup> liens combined) would be somewhere in the neighborhood of \$65 billion, still below 7(a) totals, but much closer.



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 very good, but not as spectacular growth in 504 fundings. 504 fundings of startup businesses (the second largest category) have increased close to 120% compared to the same period last year.

## News Blurb(s) of the Month – The keys to ensuring a new anti-redlining initiative succeeds, Robert Henderson and Rebecca Marchiel, The Washington Post

**November 15, 2021** – The Justice Department recently announced an initiative to combat redlining, the refusal of lenders to issue credit to borrowers in communities of color.

<https://www.washingtonpost.com/outlook/2021/11/15/keys-ensuring-new-anti-redlining-initiative-succeeds/>

### Top SBA 504 Lenders

	FY2020 (Through Sep. 30, 2020)	Volume (\$Millions)	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)
<b>CDCs</b>	Florida First Capital Finance	\$346.9	Mortgage Capital Development C	\$449.8
<b>2nd Liens</b>	Mortgage Capital Development C	\$307.2	CDC Small Business Finance Cor	\$440.6
	Business Finance Capital	\$300.0	Business Finance Capital	\$428.6
	CDC Small Business Finance Cor	\$292.8	Florida First Capital Finance	\$378.5
	Florida Business Development C	\$261.1	Empire State Certified Develop	\$363.9
	Empire State Certified Develop	\$250.4	Florida Business Development C	\$306.6
	WBD, Inc.	\$198.7	WBD, Inc.	\$272.9
	California Statewide Certified	\$189.0	California Statewide Certified	\$268.3
	Mountain West Small Business F	\$171.8	Mountain West Small Business F	\$265.1
	Small Business Growth Corporat	\$126.9	Small Business Growth Corporat	\$247.1
	<b>Total</b>	<b>\$5,892.5</b>	<b>Total</b>	<b>\$8,253.5</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$318.5	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2
<b>TPLs</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6
<b>1st liens</b>	BANK OF THE WEST	\$183.6	CITY NATIONAL BANK	\$202.9
	ONEWEST BANK, A DIVISION OF	\$156.1	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7
	CITY NATIONAL BANK	\$141.3	ONEWEST BANK, A DIVISION OF	\$159.7
	TD BANK, NATIONAL ASSOCIATION	\$134.9	ZIONS BANK, A DIVISION OF	\$152.6
	ZIONS BANK, A DIVISION OF	\$124.9	BANK FIVE NINE	\$136.7
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$116.2	TD BANK, NATIONAL ASSOCIATION	\$126.7
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$80.1	BANK OF THE WEST	\$117.9
	BANK FIVE NINE	\$74.2	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$111.0
	<b>Total</b>	<b>\$7,758.8</b>	<b>Total</b>	<b>\$10,707.1</b>

### Top States for SBA 504 Loan Approvals

	FY2020 (Through Sep. 30, 2020)	FY2021 (Through Sep. 30, 2021)
CA	\$1,412,469,000	\$1,939,743,000
FL	\$568,638,000	\$663,074,000
TX	\$348,280,000	\$408,640,000
IL	\$230,313,000	\$349,330,000
WI	\$209,143,000	\$331,258,000
UT	\$207,133,000	\$314,459,000
NY	\$186,654,000	\$300,183,000
MN	\$168,897,000	\$281,739,000
MA	\$162,319,000	\$239,295,000
WA	\$156,494,000	\$210,556,000

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**

<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)	<b>0.03%</b>	0.06%	-0.03%	0.06%	0.07%	2.32%
3m US T-Bill (BEY)	<b>0.06%</b>	0.05%	0.01%	0.05%	0.08%	2.41%
6m US T-Bill (BEY)	<b>0.13%</b>	0.07%	0.06%	0.06%	0.09%	2.54%
1y US T-Bill	<b>0.27%</b>	0.17%	0.10%	0.08%	0.10%	2.69%
2y US T-Note	<b>0.67%</b>	0.51%	0.16%	0.23%	0.14%	2.72%
3y US T-Note	<b>0.98%</b>	0.83%	0.15%	0.45%	0.20%	2.73%
5y US T-Note	<b>1.25%</b>	1.23%	0.02%	0.82%	0.39%	2.71%
10y US T-Note	<b>1.48%</b>	1.56%	-0.08%	1.35%	0.92%	2.85%
20y US T-Bond	<b>1.91%</b>	1.96%	-0.05%	1.86%	1.44%	3.00%
30y US T-Bond	<b>1.88%</b>	1.92%	-0.04%	1.94%	1.65%	3.13%
Federal Funds	<b>0.08%</b>	0.08%	0.00%	0.08%	0.09%	NA
Fed Discount Rate	<b>0.25%</b>	0.25%	0.00%	0.25%	0.25%	2.75%
Prime Rate	<b>3.25%</b>	3.25%	0.00%	3.25%	3.25%	5.25%
TED Spread	<b>0.14%</b>	0.10%	0.03%	0.07%	0.14%	NA
<b>Swap Rates</b>						
2 Year Swap	<b>0.85%</b>	0.71%	0.13%	0.32%	0.22%	2.83%
5 Year Swap	<b>1.33%</b>	1.27%	0.06%	0.90%	0.45%	2.78%
10 Year Swap	<b>1.54%</b>	1.55%	-0.01%	1.36%	0.93%	2.87%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	<b>2.79%</b>	2.79%	0.00%	2.67%	2.42%	5.18%
20 Yr	<b>2.88%</b>	2.78%	0.10%	2.86%	2.58%	4.92%
25 Yr	<b>3.02%</b>	2.92%	0.10%	2.97%	2.62%	4.99%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	<b>2.74%</b>	2.97%	-0.23%	2.27%	2.34%	4.27%
10 Yr Variable	<b>2.85%</b>	2.93%	-0.08%	2.94%	3.16%	4.71%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	<b>0.02%</b>	0.03%	-0.01%	0.03%	0.05%	0.11%
3 Mon. CD - Non Jumbo	<b>0.05%</b>	0.06%	-0.01%	0.07%	0.07%	0.19%
6 Mon. CD - Non Jumbo	<b>0.09%</b>	0.09%	0.00%	0.09%	0.11%	0.31%
1 Yr CD - Non Jumbo	<b>0.14%</b>	0.14%	0.00%	0.14%	0.17%	0.49%
2 Yr CD - Non Jumbo	<b>0.17%</b>	0.17%	0.00%	0.17%	0.22%	0.70%
3 Yr CD - Non Jumbo	<b>0.19%</b>	0.20%	-0.01%	0.21%	0.27%	0.85%
Savings	<b>0.06%</b>	0.06%	0.00%	0.06%	0.05%	0.09%
Checking	<b>0.03%</b>	0.03%	0.00%	0.03%	0.04%	0.06%
Money Market - Non Jumbo	<b>0.06%</b>	0.08%	-0.02%	0.09%	0.07%	0.16%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	<b>0.05%</b>	0.05%	0.00%	0.05%	0.08%	2.30%
FHLB Fixed Advances (30 day, < \$15m)	<b>0.32%</b>	0.32%	0.00%	0.31%	0.34%	2.63%

**About Us**

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