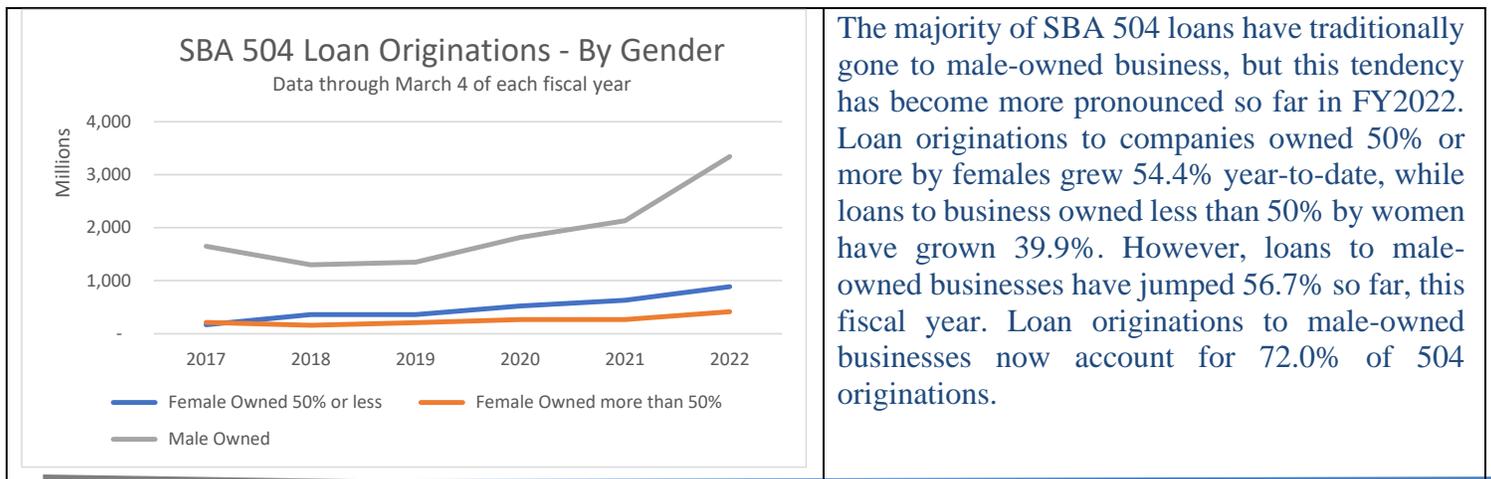


SBA 504 loan originations continued at a rapid pace in February. Twenty-two weeks into the new fiscal year (started October 1st), 504 loan originations are up 53.0% compared to the same period a year ago. This is not due to COVID slowdowns in the prior year. Originations this year are up 78.0% compared to the same period two years ago, a period just seeing the very beginnings of the pandemic. Originations were up 59.8% from the prior year one month ago, so while slowing, this is still exceptional growth. 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, but they are up 1.2% compared to the same period the previous year, down slightly from the pace a month ago, when originations were up 5.3% 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 (1st and 2nd liens combined) would be somewhere in the neighborhood of \$65 billion, still below 7(a) totals, but much closer.



The majority of SBA 504 loans have traditionally gone to male-owned business, but this tendency has become more pronounced so far in FY2022. Loan originations to companies owned 50% or more by females grew 54.4% year-to-date, while loans to business owned less than 50% by women have grown 39.9%. However, loans to male-owned businesses have jumped 56.7% so far, this fiscal year. Loan originations to male-owned businesses now account for 72.0% of 504 originations.

News Blurb(s) of the Month — Why The Community Reinvestment Act Needs A Racial Equity Lens, Randall Leach, Forbes

February 25, 2022 – Banks hold an outsized amount of power in society. They decide which individuals, communities and businesses get access to financing and other critical services, and they make billions of dollars in investments every year with their depositors’ dollars. But for a large part of American history, the banking sector used that power to discriminate against people of color.

<https://www.forbes.com/sites/forbesfinancecouncil/2022/02/25/why-the-community-reinvestment-act-needs-a-racial-equity-lens/?sh=46609d4032b6>

Top SBA 504 Lenders

	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Dec. 31, 2021)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$448.8	Mortgage Capital Development C	\$207.6
2nd Liens	CDC Small Business Finance Cor	\$440.1	CDC Small Business Finance Cor	\$176.7
	Business Finance Capital	\$427.3	Florida First Capital Finance	\$136.9
	Florida First Capital Finance	\$375.3	Business Finance Capital	\$136.6
	Empire State Certified Develop	\$362.7	Empire State Certified Develop	\$135.8
	Florida Business Development C	\$304.6	Florida Business Development C	\$125.0
	WBD, Inc.	\$270.5	California Statewide Certified	\$88.0
	California Statewide Certified	\$267.9	Mountain West Small Business F	\$83.2
	Mountain West Small Business F	\$264.0	WBD, Inc.	\$77.8
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$66.8
	Total	\$8,218.1	Total	\$2,900.5
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$95.9
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	CITY NATIONAL BANK	\$79.9
1st liens	CITY NATIONAL BANK	\$202.9	POPPY BANK	\$76.2
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$74.9
	ONEWEST BANK, A DIVISION OF	\$159.7	BANK OF AMERICA, NATIONAL ASSOCIATION	\$72.2
	ZIONS BANK, A DIVISION OF	\$152.6	ONEWEST BANK, A DIVISION OF	\$61.9
	BANK FIVE NINE	\$136.7	ZIONS BANK, A DIVISION OF	\$52.0
	TD BANK, NATIONAL ASSOCIATION	\$126.7	BANK FIVE NINE	\$48.7
	BANK OF THE WEST	\$117.9	MUFG UNION BANK, NATIONAL ASSOCIATION	\$46.4
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$111.0	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$42.1
	Total	\$10,710.4	Total	\$3,873.3

Top States for SBA 504 Loan Approvals

	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Dec. 31, 2021)
CA	\$1,936,220,000	CA	\$713,310,000
FL	\$658,573,000	FL	\$260,113,000
TX	\$406,503,000	TX	\$138,980,000
IL	\$346,816,000	IL	\$121,224,000
NY	\$329,880,000	UT	\$113,173,000
UT	\$313,330,000	NY	\$109,811,000
WI	\$297,781,000	AZ	\$98,228,000
MN	\$281,289,000	MN	\$94,822,000
CO	\$238,617,000	WI	\$86,922,000
GA	\$209,152,000	GA	\$81,172,000

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 Equalize Community Development Fund (EQCDX) 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)	0.17%	0.03%	0.14%	0.03%	0.04%	2.44%
3m US T-Bill (BEY)	0.40%	0.36%	0.04%	0.06%	0.04%	2.46%
6m US T-Bill (BEY)	0.78%	0.71%	0.07%	0.13%	0.05%	2.54%
1y US T-Bill	1.22%	1.07%	0.15%	0.27%	0.08%	2.53%
2y US T-Note	1.75%	1.50%	0.25%	0.67%	0.14%	2.47%
3y US T-Note	1.91%	1.71%	0.20%	0.98%	0.31%	2.45%
5y US T-Note	1.96%	1.84%	0.12%	1.25%	0.78%	2.44%
10y US T-Note	2.00%	1.92%	0.08%	1.48%	1.54%	2.64%
20y US T-Bond	2.45%	2.30%	0.15%	1.91%	2.18%	2.86%
30y US T-Bond	2.36%	2.24%	0.12%	1.88%	2.29%	3.03%
Federal Funds	0.08%	0.08%	0.00%	0.08%	0.07%	N/A
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	0.25%	3.00%
Prime Rate	3.25%	3.25%	0.00%	3.25%	3.25%	5.50%
TED Spread	0.43%	0.15%	0.28%	0.14%	0.14%	N/A
Swap Rates						
2 Year Swap	1.95%	1.78%	0.17%	0.85%	0.24%	2.60%
5 Year Swap	2.04%	2.04%	-0.01%	1.33%	0.86%	2.52%
10 Year Swap	2.09%	2.12%	-0.03%	1.54%	1.55%	2.67%
SBA 504 2nd Lien Loan Rates						
10 Yr	3.81%	3.07%	0.74%	2.79%	2.68%	4.62%
20 Yr	3.76%	3.45%	0.31%	2.88%	3.00%	4.58%
25 Yr	3.93%	3.59%	0.34%	3.02%	3.04%	4.74%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	3.10%	3.00%	0.10%	2.48%	2.46%	3.89%
10 Yr Variable	3.39%	3.24%	0.15%	2.85%	3.27%	4.55%
Depository Rates						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.02%	0.04%	0.12%
3 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.05%	0.06%	0.21%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.10%	0.38%
1 Yr CD - Non Jumbo	0.14%	0.13%	0.01%	0.14%	0.14%	0.65%
2 Yr CD - Non Jumbo	0.18%	0.17%	0.01%	0.17%	0.19%	0.85%
3 Yr CD - Non Jumbo	0.21%	0.21%	0.00%	0.19%	0.23%	0.98%
Savings	0.06%	0.06%	0.00%	0.06%	0.04%	0.09%
Checking	0.03%	0.03%	0.00%	0.03%	0.04%	0.06%
Money Market - Non Jumbo	0.08%	0.08%	0.00%	0.06%	0.06%	0.18%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.05%	0.05%	0.00%	0.05%	0.02%	2.39%
FHLB Fixed Advances (30 day, < \$15m)	0.45%	0.42%	0.03%	0.32%	0.29%	2.63%

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