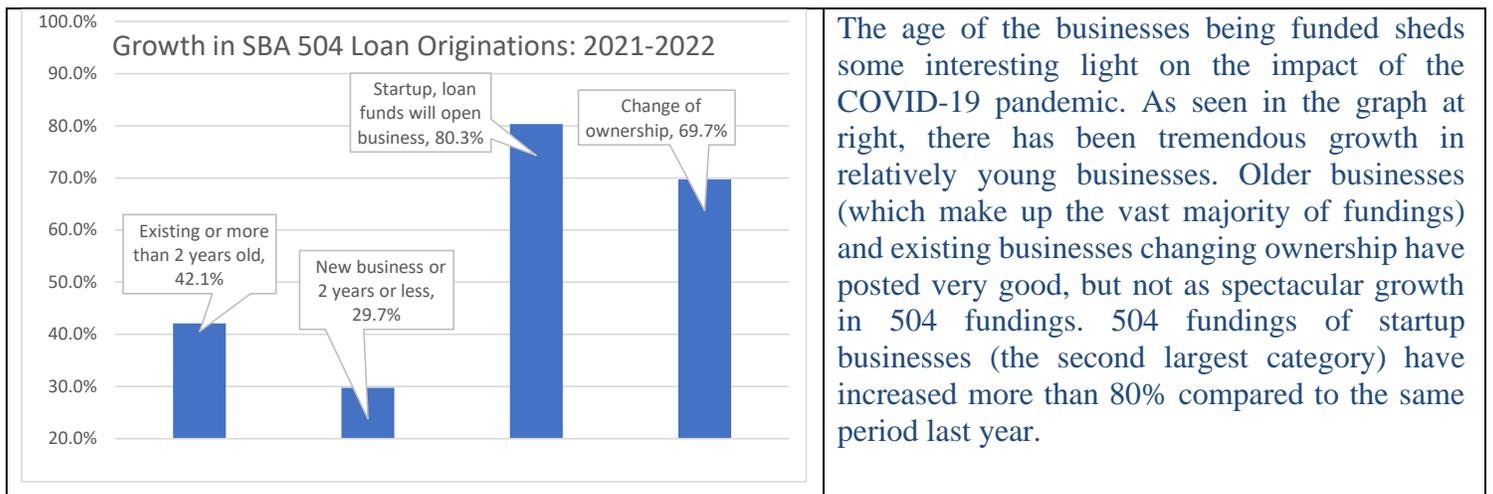


SBA 504 loan originations continued at a rapid pace in March. Twenty-six weeks into the new fiscal year (started October 1st), 504 loan originations are up 46.3% compared to the same period a year ago. Originations this year are also up 74.2% compared to the same period two years ago, which was largely before the pandemic. Originations were up 53.0% 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 have not shown the same uptick versus last year, as they are down (0.4)% compared to the same period the previous year, down slightly from the pace a month ago, when originations were up 1.2% 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 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 vast 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 more than 80% compared to the same period last year.

News Blurb(s) of the Month — Fair-Lending Enforcement in 2022, Part 2: Codifying Discriminatory-Effects Standards and Enforcing CRA Data-Collection Standards, The National Law Review

March 24, 2022 – The degree of enforcement of the fair lending laws by the regulators can vary depending on which administration is in office, and the Biden administration is no exception. The Biden administration is just a year old, so there has not been time for much new litigation, but policymakers appointed by President Biden have issued pronouncements signaling what the banking industry can expect, specifically including changes from the Trump administration.

<https://www.natlawreview.com/article/fair-lending-enforcement-2022-part-2-codifying-discriminatory-effects-standards-and>

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/ TPLs	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$95.9
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	CITY NATIONAL BANK	\$79.9
	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)	0.20%	0.16%	0.04%	0.05%	0.02%	2.43%
3m US T-Bill (BEY)	0.70%	0.36%	0.34%	0.10%	0.01%	2.43%
6m US T-Bill (BEY)	1.19%	0.72%	0.47%	0.24%	0.04%	2.48%
1y US T-Bill	1.81%	1.12%	0.69%	0.43%	0.05%	2.43%
2y US T-Note	2.53%	1.63%	0.90%	0.87%	0.14%	2.36%
3y US T-Note	2.73%	1.78%	0.95%	1.17%	0.33%	2.31%
5y US T-Note	2.76%	1.80%	0.96%	1.50%	0.85%	2.33%
10y US T-Note	2.72%	1.86%	0.86%	1.76%	1.64%	2.52%
20y US T-Bond	2.94%	2.34%	0.60%	2.15%	2.22%	2.74%
30y US T-Bond	2.76%	2.24%	0.52%	2.11%	2.32%	2.93%
Federal Funds	0.33%	0.08%	0.25%	0.08%	0.07%	NA
Fed Discount Rate	0.50%	0.25%	0.25%	0.25%	0.25%	3.00%
Prime Rate	3.50%	3.25%	0.25%	3.25%	3.25%	5.50%
TED Spread	0.31%	0.34%	-0.03%	0.14%	0.18%	NA
Swap Rates						
2 Year Swap	2.75%	1.81%	0.94%	1.08%	0.28%	2.45%
5 Year Swap	2.81%	1.86%	0.95%	1.61%	0.97%	2.35%
10 Year Swap	2.76%	1.93%	0.83%	1.86%	1.67%	2.49%
SBA 504 2nd Lien Loan Rates						
10 Yr	3.81%	3.81%	0.00%	3.07%	2.68%	4.62%
20 Yr	4.62%	3.76%	0.86%	3.07%	3.02%	4.36%
25 Yr	4.68%	3.93%	0.75%	3.21%	3.07%	4.53%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	3.49%	3.10%	0.39%	2.51%	2.50%	3.62%
10 Yr Variable	3.87%	3.39%	0.48%	2.91%	3.37%	4.38%
Depository Rates						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.03%	0.04%	0.12%
3 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.06%	0.06%	0.21%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.09%	0.39%
1 Yr CD - Non Jumbo	0.15%	0.14%	0.01%	0.13%	0.14%	0.66%
2 Yr CD - Non Jumbo	0.19%	0.18%	0.01%	0.17%	0.19%	0.85%
3 Yr CD - Non Jumbo	0.22%	0.21%	0.01%	0.21%	0.22%	0.99%
Savings	0.06%	0.06%	0.00%	0.06%	0.04%	0.10%
Checking	0.03%	0.03%	0.00%	0.03%	0.03%	0.06%
Money Market - Non Jumbo	0.08%	0.08%	0.00%	0.07%	0.06%	0.18%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.30%	0.05%	0.25%	0.05%	0.01%	2.46%
FHLB Fixed Advances (30 day, < \$15m)	0.64%	0.46%	0.18%	0.32%	0.28%	2.62%

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