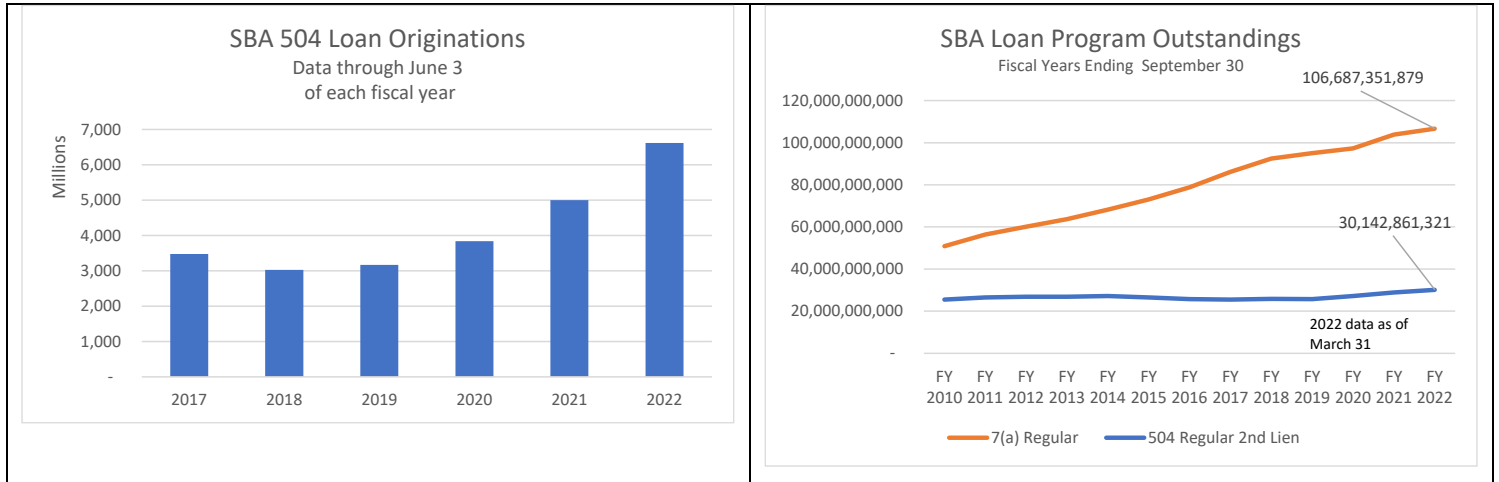
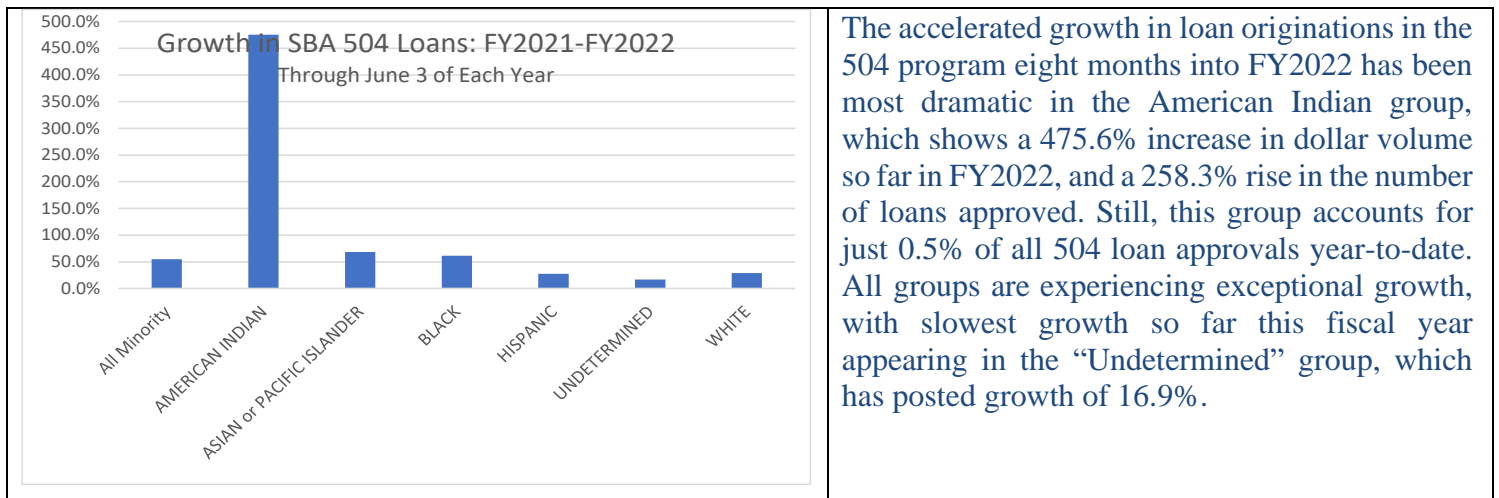


The pace of SBA 504 loan originations slowed a bit more in May. Thirty-five weeks into the new fiscal year (started October 1st), 504 loan originations are up 32.2% compared to the same period a year ago. Originations this year are also up 208.6% compared to the same period in FY2019. Originations were up 36.6% from the prior year one month ago, so while slowing, this is still exceptional growth. Unpaid Principal Balance of SBA 504 loans stood at \$30.14 billion as of March 31, 2022, up 4.1% compared to the \$28.94 billion figure at year-end FY2021. SBA 7(a) loan originations have not shown the same uptick versus last year, as they are down (5.2)% compared to the same period the previous year, down slightly from the pace a month ago, when originations were down (4.1)% compared to the same period in FY2021. The unpaid principal balance of 7(a) loans is \$106.69 billion at March 31, 2021, up 2.7% compared to year-end FY2021.



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 \$68 billion, still below 7(a) totals, but much closer.



The accelerated growth in loan originations in the 504 program eight months into FY2022 has been most dramatic in the American Indian group, which shows a 475.6% increase in dollar volume so far in FY2022, and a 258.3% rise in the number of loans approved. Still, this group accounts for just 0.5% of all 504 loan approvals year-to-date. All groups are experiencing exceptional growth, with slowest growth so far this fiscal year appearing in the “Undetermined” group, which has posted growth of 16.9%.

News Blurb(s) of the Month — NCRC Issues Initial Analysis Of Historic Community Reinvestment Act Overhaul Proposal, NCRC

June 1, 2022 – The National Community Reinvestment Coalition (NCRC) on Wednesday issued its first detailed analysis of recently proposed interagency rules to modernize enforcement of the Community Reinvestment Act (CRA).

<https://ncrc.org/ncrc-issues-initial-analysis-of-historic-community-reinvestment-act-overhaul-proposal/>

Top SBA 504 Lenders				
	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Mar. 31, 2022)	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	Empire State Certified Develop	\$136.9
	Florida First Capital Finance	\$375.3	Business Finance Capital	\$136.6
	Empire State Certified Develop	\$362.7	Florida Business Development C	\$135.8
	Florida Business Development C	\$304.6	Florida First Capital Finance	\$125.0
	WBD, Inc.	\$270.5	California Statewide Certified	\$88.0
	California Statewide Certified	\$267.9	WBD, Inc.	\$83.2
	Mounta in West Small Business F	\$264.0	Mountain West Small Business F	\$77.8
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$66.8
	Total	\$8,218.1	Total	\$5,313.5
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$198.6
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	CITY NATIONAL BANK	\$138.3
1st liens	CITY NATIONAL BANK	\$202.9	POPPY BANK	\$135.4
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	BANK FIVE NINE	\$132.6
	ZIONS BANK, A DIVISION OF	\$152.6	BANK OF AMERICA, NATIONAL ASSOCIATION	\$130.7
	BANK FIVE NINE	\$136.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$115.6
	TD BANK, NATIONAL ASSOCIATION	\$126.7	ZIONS BANK, A DIVISION OF	\$93.6
	BANK OF THE WEST	\$117.9	TRUIST BANK	\$82.7
	TRUIST BANK	\$111.0	MUFG UNION BANK, NATIONAL ASSOCIATION	\$78.7
	FIRST-CITIZENS BANK & TRUST COMPANY	\$92.3	KEYBANK NATIONAL ASSOCIATION	\$62.4
	Total	\$10,708.0	Total	\$7,051.7

Top States for SBA 504 Loan Approvals				
	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Mar. 31, 2022)	
CA	\$1,936,220,000	CA	\$1,302,338,000	
FL	\$658,573,000	FL	\$432,148,000	
TX	\$406,503,000	TX	\$274,658,000	
IL	\$346,816,000	IL	\$251,330,000	
NY	\$329,880,000	NY	\$235,372,000	
UT	\$313,330,000	UT	\$211,779,000	
WI	\$297,781,000	MN	\$181,653,000	
MN	\$281,289,000	WI	\$163,616,000	
CO	\$238,617,000	AZ	\$159,645,000	
GA	\$209,152,000	GA	\$143,130,000	

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)	1.05%	0.51%	0.54%	0.18%	0.01%	2.30%
3m US T-Bill (BEY)	1.30%	0.92%	0.38%	0.38%	0.03%	2.28%
6m US T-Bill (BEY)	1.81%	1.43%	0.38%	0.75%	0.04%	2.15%
1y US T-Bill	2.35%	1.99%	0.36%	1.15%	0.05%	1.97%
2y US T-Note	2.83%	2.61%	0.22%	1.68%	0.16%	1.85%
3y US T-Note	2.99%	2.81%	0.18%	1.83%	0.31%	1.82%
5y US T-Note	3.07%	2.95%	0.12%	1.87%	0.75%	1.85%
10y US T-Note	3.04%	3.05%	-0.01%	1.94%	1.50%	2.09%
20y US T-Bond	3.40%	3.38%	0.02%	2.38%	2.10%	2.36%
30y US T-Bond	3.18%	3.19%	-0.01%	2.29%	2.17%	2.57%
Federal Funds	0.83%	0.83%	0.00%	0.08%	0.06%	2.37%
Fed Discount Rate	1.00%	1.00%	0.00%	0.25%	0.25%	3.00%
Prime Rate	4.00%	4.00%	0.00%	3.25%	3.25%	5.50%
TED Spread	0.42%	0.48%	-0.06%	0.37%	0.09%	0.17%
Swap Rates						
2 Year Swap	3.17%	2.92%	0.25%	1.85%	0.22%	1.89%
5 Year Swap	3.13%	3.03%	0.11%	1.95%	0.82%	1.85%
10 Year Swap	3.12%	3.13%	0.00%	2.01%	1.47%	2.05%
SBA 504 2nd Lien Loan Rates						
10 Yr	4.92%	4.92%	0.00%	3.81%	2.61%	4.35%
20 Yr	5.13%	5.06%	0.07%	3.76%	2.76%	3.98%
25 Yr	5.19%	5.12%	0.07%	3.93%	2.88%	4.09%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	4.12%	3.98%	0.14%	3.12%	2.35%	3.35%
10 Yr Variable	4.39%	4.30%	0.09%	3.34%	3.20%	4.20%
Depository Rates						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.03%	0.03%	0.12%
3 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.06%	0.06%	0.22%
6 Mon. CD - Non Jumbo	0.12%	0.10%	0.02%	0.09%	0.09%	0.42%
1 Yr CD - Non Jumbo	0.21%	0.17%	0.04%	0.14%	0.14%	0.67%
2 Yr CD - Non Jumbo	0.27%	0.22%	0.05%	0.18%	0.18%	0.87%
3 Yr CD - Non Jumbo	0.31%	0.25%	0.06%	0.21%	0.21%	1.00%
Savings	0.07%	0.06%	0.01%	0.06%	0.06%	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%	0.08%	0.10%	0.19%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.76%	0.78%	-0.02%	0.05%	0.01%	2.40%
FHLB Fixed Advances (30 day, < \$15m)	1.48%	1.08%	0.40%	0.45%	0.27%	2.52%

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