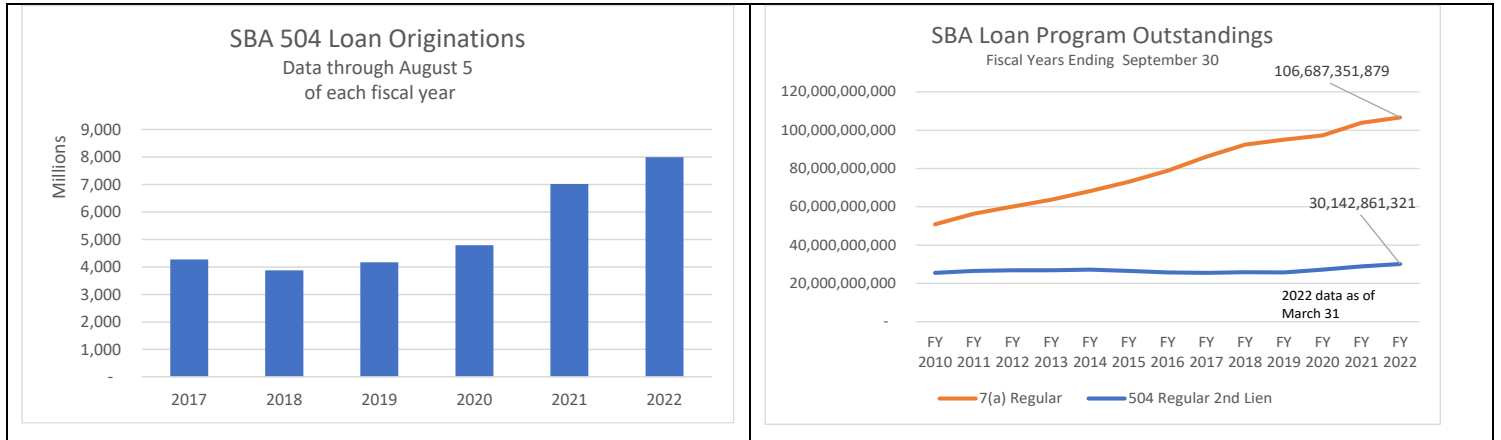
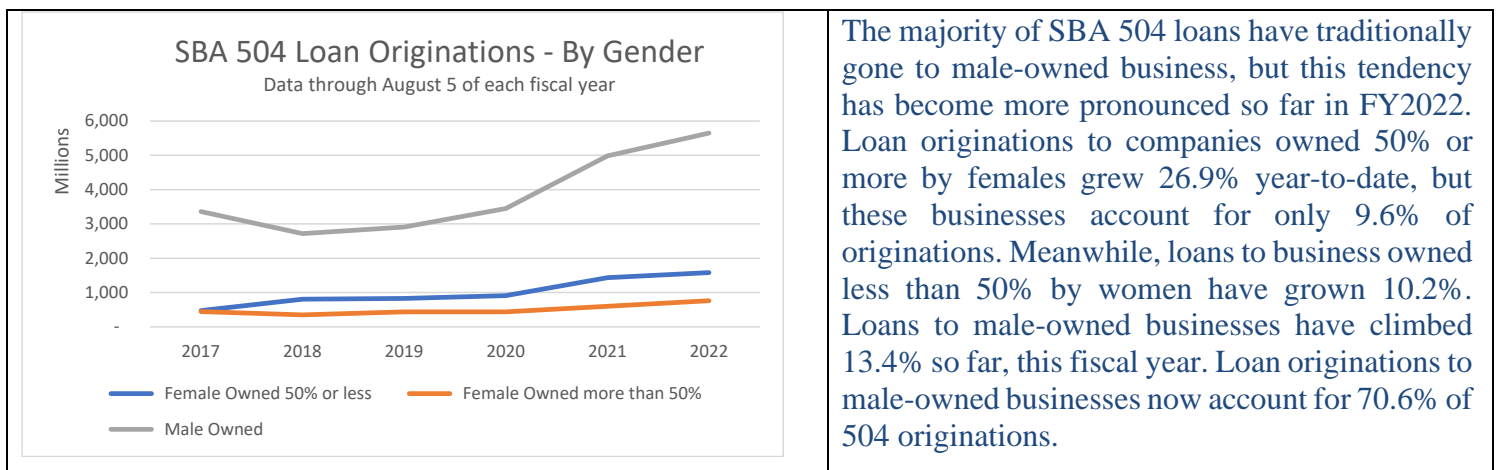


The pace of SBA 504 loan originations slowed yet again from the torrid pace set early in FY22. Forty-five weeks into fiscal year 2022 (started October 1st), 504 loan originations are up 13.9% compared to the same period a year ago. Originations this year are also up 191.6% compared to the same period in FY2019 (pre-COVID). Originations were up 25.9% from the prior year one month ago, so while slowing, this is still very strong 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 (16.6)% compared to the same period the previous year, down slightly from the pace a month ago, when originations were down (7.9)% 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 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 26.9% year-to-date, but these businesses account for only 9.6% of originations. Meanwhile, loans to business owned less than 50% by women have grown 10.2%. Loans to male-owned businesses have climbed 13.4% so far, this fiscal year. Loan originations to male-owned businesses now account for 70.6% of 504 originations.

News Blurb(s) of the Month — Proposed update to Community Reinvestment Act could support neighborhood recovery, by Michael Halpern. American City & County

July 28, 2022 – Historically, the idea of CRA and its required activities really centered around ensuring that available credit and general banking opportunities went unimpeded in communities in which they operate, including low-and moderate-income (LMI) neighborhoods. The association between CRA and CRA activities and community blight was not a consideration in the original language from 1977.

<https://www.americacityandcounty.com/2022/07/28/proposed-update-to-community-reinvestment-act-could-support-neighborhood-recovery/>

Top SBA 504 Lenders				
	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Jun. 30, 2022)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$448.8	Mortgage Capital Development C	\$481.5
2nd Liens	CDC Small Business Finance Cor	\$440.1	CDC Small Business Finance Cor	\$470.7
	Business Finance Capital	\$427.3	Business Finance Capital	\$332.8
	Florida First Capital Finance	\$375.3	Empire State Certified Develop	\$329.4
	Empire State Certified Develop	\$362.7	Florida Business Development C	\$312.8
	Florida Business Development C	\$304.6	Florida First Capital Finance	\$300.0
	WBD, Inc.	\$270.5	WBD, Inc.	\$229.4
	California Statewide Certified	\$267.9	California Statewide Certified	\$221.4
	Mountain West Small Business F	\$264.0	Mountain West Small Business F	\$210.6
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$202.0
	Total	\$8,218.1	Total	\$7,251.7
Banks/ TPLs	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$286.6
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	BANK FIVE NINE	\$183.5
	CITY NATIONAL BANK	\$202.9	CITY NATIONAL BANK	\$173.7
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	BANK OF AMERICA, NATIONAL ASSOCIATION	\$173.1
	ZIONS BANK, A DIVISION OF	\$152.6	POPPY BANK	\$156.5
	BANK FIVE NINE	\$136.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$154.8
	TD BANK, NATIONAL ASSOCIATION	\$126.7	ZIONS BANK, A DIVISION OF	\$138.5
	BANK OF THE WEST	\$117.9	MUFG UNION BANK, NATIONAL ASSOCIATION	\$123.2
	TRUIST BANK	\$111.0	TRI COUNTIES BANK	\$100.5
	FIRST-CITIZENS BANK & TRUST COMPANY	\$92.3	TRUIST BANK	\$90.3
	Total	\$10,713.2	Total	\$9,608.2

Top States for SBA 504 Loan Approvals				
	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Jun. 30, 2022)	
CA	\$1,936,220,000	CA	\$1,766,140,000	
FL	\$658,573,000	FL	\$574,784,000	
TX	\$406,503,000	TX	\$362,079,000	
IL	\$346,816,000	IL	\$342,616,000	
NY	\$329,880,000	NY	\$301,123,000	
UT	\$313,330,000	UT	\$293,317,000	
WI	\$297,781,000	MN	\$251,653,000	
MN	\$281,289,000	WI	\$235,282,000	
CO	\$238,617,000	AZ	\$218,914,000	
GA	\$209,152,000	GA	\$207,025,000	
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)	2.24%	1.58%	0.66%	0.59%	0.05%	2.05%
3m US T-Bill (BEY)	2.62%	2.18%	0.44%	0.91%	0.05%	2.00%
6m US T-Bill (BEY)	3.08%	2.79%	0.29%	1.43%	0.06%	1.95%
1y US T-Bill	3.25%	2.97%	0.28%	1.99%	0.08%	1.78%
2y US T-Note	3.23%	3.07%	0.16%	2.66%	0.23%	1.63%
3y US T-Note	3.16%	3.09%	0.07%	2.81%	0.45%	1.58%
5y US T-Note	2.98%	3.05%	-0.07%	2.89%	0.81%	1.57%
10y US T-Note	2.87%	2.99%	-0.12%	2.91%	1.35%	1.74%
20y US T-Bond	3.38%	3.43%	-0.05%	3.25%	1.90%	2.03%
30y US T-Bond	3.15%	3.18%	-0.03%	3.05%	1.99%	2.26%
Federal Funds	2.33%	1.58%	0.75%	0.83%	0.10%	2.12%
Fed Discount Rate	2.50%	1.75%	0.75%	1.00%	0.25%	2.75%
Prime Rate	5.50%	4.75%	0.75%	4.00%	3.25%	5.25%
TED Spread	0.29%	0.48%	-0.19%	0.51%	0.07%	0.18%
Swap Rates						
2 Year Swap	3.64%	3.44%	0.20%	3.07%	0.34%	1.64%
5 Year Swap	3.10%	3.20%	-0.11%	3.16%	1.14%	1.53%
10 Year Swap	3.05%	3.23%	-0.18%	3.19%	1.49%	1.65%
SBA 504 2nd Lien Loan Rates						
10 Yr	4.96%	4.96%	0.00%	4.92%	2.59%	3.92%
20 Yr	4.89%	5.05%	-0.16%	5.06%	2.74%	3.53%
25 Yr	4.98%	5.11%	-0.13%	5.12%	2.86%	3.63%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	4.27%	4.27%	0.00%	4.61%	2.25%	3.12%
10 Yr Variable	4.92%	4.72%	0.20%	4.33%	2.94%	3.96%
Depository Rates						
1 Mon. CD - Non Jumbo	0.05%	0.04%	0.01%	0.03%	0.03%	0.12%
3 Mon. CD - Non Jumbo	0.10%	0.08%	0.02%	0.06%	0.07%	0.22%
6 Mon. CD - Non Jumbo	0.22%	0.17%	0.05%	0.10%	0.09%	0.41%
1 Yr CD - Non Jumbo	0.31%	0.25%	0.06%	0.17%	0.14%	0.60%
2 Yr CD - Non Jumbo	0.43%	0.34%	0.09%	0.22%	0.17%	0.79%
3 Yr CD - Non Jumbo	0.47%	0.37%	0.10%	0.25%	0.20%	0.91%
Savings	0.10%	0.08%	0.02%	0.06%	0.06%	0.10%
Checking	0.03%	0.03%	0.00%	0.03%	0.03%	0.06%
Money Market - Non Jumbo	0.12%	0.09%	0.03%	0.08%	0.08%	0.18%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	2.29%	1.54%	0.75%	0.78%	0.05%	2.09%
FHLB Fixed Advances (30 day, < \$15m)	2.52%	1.98%	0.54%	1.05%	0.31%	2.29%

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