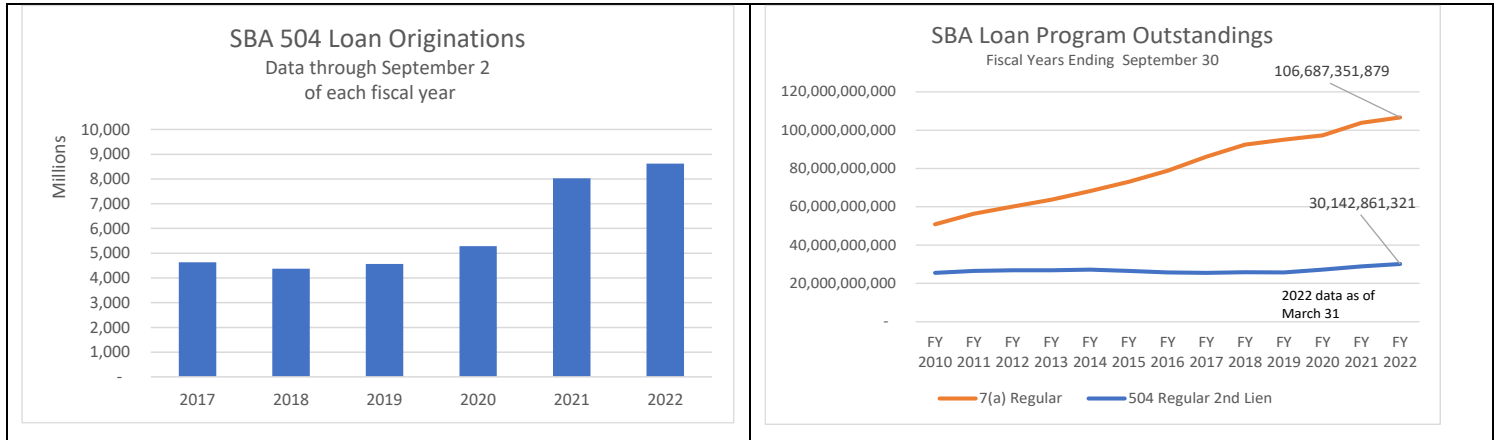
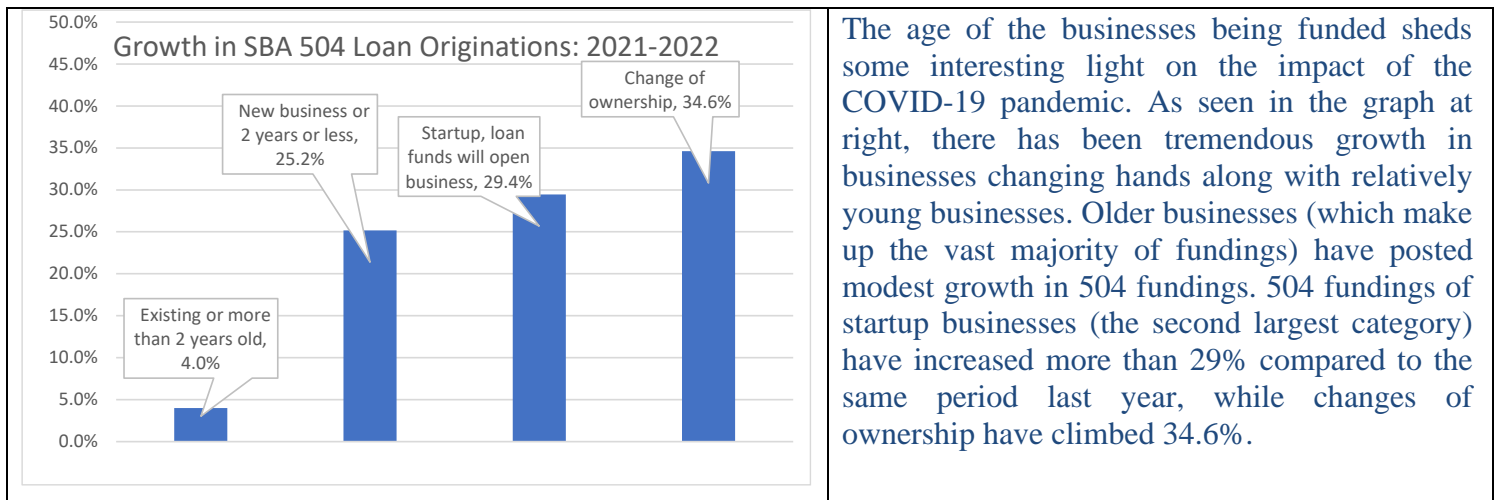


The pace of SBA 504 loan originations continued to slow over the past month, but originations are still well above last year's pace. Forty-nine weeks into fiscal year 2022 (started October 1st), 504 loan originations are up 7.4% compared to the same period a year ago. Originations this year are also up 188.9% compared to the same period in FY2019 (pre-COVID). Originations were up 13.9% from the prior year one month ago. 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 (22.7%) compared to the same period the previous year, down slightly from the pace a month ago, when originations were down (16.6%) 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 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 businesses changing hands along with relatively young businesses. Older businesses (which make up the vast majority of fundings) have posted modest growth in 504 fundings. 504 fundings of startup businesses (the second largest category) have increased more than 29% compared to the same period last year, while changes of ownership have climbed 34.6%.

News Blurb(s) of the Month — Will the Community Reinvestment Act Benefit Auto Finance? by Joey Pizzolato. Auto Finance News

August 25, 2022 – The **Community Reinvestment Act (CRA)** was designed to increase credit access to low- and moderate-income individuals (LMI) and neighborhoods, but will implementing it in auto finance achieve its desired outcome?

<https://www.autofinancenews.net/allposts/auto-finance-excellence/compliance/will-the-community-reinvestment-act-benefit-auto-finance/>

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/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$286.6
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	BANK FIVE NINE	\$183.5
1st liens	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)	2.57%	2.23%	0.34%	1.05%	0.07%	2.04%
3m US T-Bill (BEY)	3.08%	2.67%	0.41%	1.30%	0.04%	1.96%
6m US T-Bill (BEY)	3.52%	3.16%	0.36%	1.81%	0.05%	1.87%
1y US T-Bill	3.67%	3.33%	0.34%	2.35%	0.07%	1.74%
2y US T-Note	3.56%	3.28%	0.28%	2.83%	0.23%	1.58%
3y US T-Note	3.61%	3.20%	0.41%	2.99%	0.43%	1.52%
5y US T-Note	3.45%	2.97%	0.48%	3.07%	0.79%	1.49%
10y US T-Note	3.33%	2.80%	0.53%	3.04%	1.30%	1.63%
20y US T-Bond	3.71%	3.24%	0.47%	3.40%	1.83%	1.91%
30y US T-Bond	3.47%	3.01%	0.46%	3.18%	1.90%	2.11%
Federal Funds	2.33%	2.33%	0.00%	0.83%	0.08%	2.12%
Fed Discount Rate	2.50%	2.50%	0.00%	1.00%	0.25%	2.75%
Prime Rate	5.50%	5.50%	0.00%	4.00%	3.25%	5.25%
TED Spread	0.17%	0.25%	-0.09%	0.42%	0.07%	0.18%
Swap Rates						
2 Year Swap	4.01%	3.68%	0.33%	3.31%	0.34%	1.63%
5 Year Swap	3.62%	3.15%	0.47%	3.28%	0.99%	1.49%
10 Year Swap	3.52%	3.00%	0.52%	3.28%	1.48%	1.61%
SBA 504 2nd Lien Loan Rates						
10 Yr	5.32%	4.96%	0.36%	4.92%	2.67%	3.55%
20 Yr	5.34%	4.89%	0.45%	5.13%	2.86%	3.36%
25 Yr	5.44%	4.98%	0.46%	5.19%	2.97%	3.46%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	4.63%	4.27%	0.36%	4.50%	2.27%	3.09%
10 Yr Variable	5.23%	4.92%	0.31%	4.47%	2.94%	3.85%
Depository Rates						
1 Mon. CD - Non Jumbo	0.06%	0.05%	0.01%	0.03%	0.03%	0.12%
3 Mon. CD - Non Jumbo	0.12%	0.10%	0.02%	0.06%	0.07%	0.21%
6 Mon. CD - Non Jumbo	0.27%	0.22%	0.05%	0.12%	0.09%	0.39%
1 Yr CD - Non Jumbo	0.46%	0.31%	0.15%	0.21%	0.14%	0.56%
2 Yr CD - Non Jumbo	0.51%	0.43%	0.08%	0.27%	0.17%	0.74%
3 Yr CD - Non Jumbo	0.54%	0.47%	0.07%	0.31%	0.21%	0.86%
Savings	0.13%	0.10%	0.03%	0.07%	0.06%	0.09%
Checking	0.03%	0.03%	0.00%	0.03%	0.03%	0.06%
Money Market - Non Jumbo	0.14%	0.12%	0.02%	0.08%	0.09%	0.19%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	2.28%	2.28%	0.00%	0.76%	0.05%	2.15%
FHLB Fixed Advances (30 day, < \$15m)	3.08%	2.54%	0.54%	1.48%	0.31%	2.24%

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