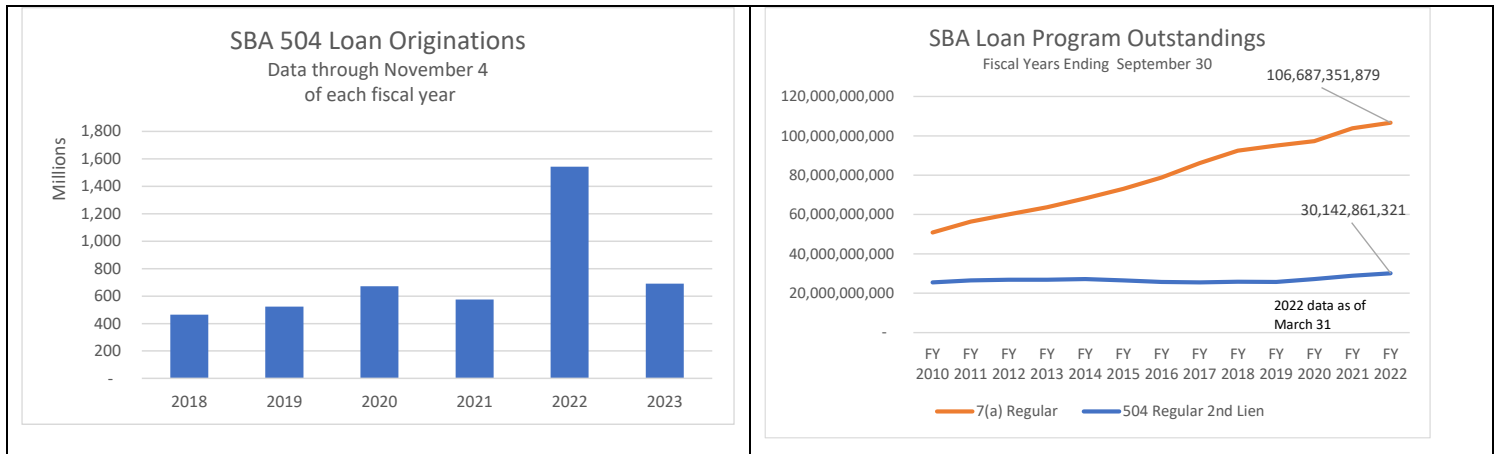
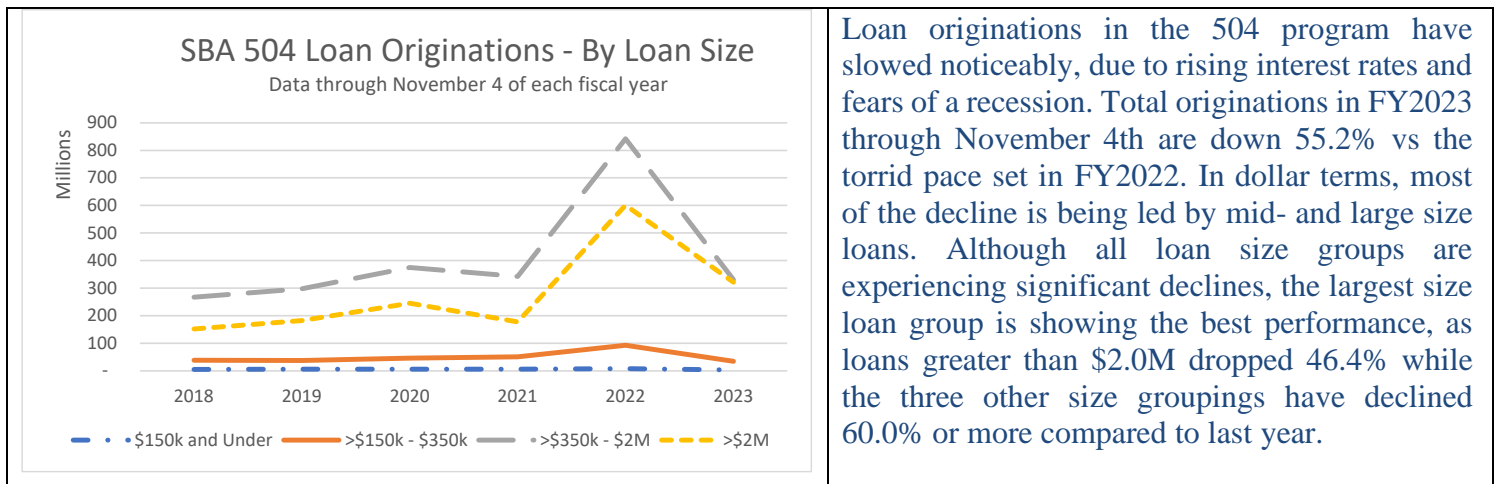


The 504 loan program is starting at a much more subdued pace in SBA’s fiscal year 2023 than it did in fiscal year 2022. This year started, originations, are strong compared to other recent years, but far below the pace set at the start of last year. 504 loan originations are down 55.2% compared to FY2022, though they are up 20.0% compared to the same period on FY2021. We believe this slowdown is primarily due to the rapidly rising interest rate environment and fears of a recession. 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. Unlike SBA 504 loans, SBA 7(a) loan originations are doing quite well so far in FY2023. In fact, 7(a) loans have jumped 146.5% compared to the previous year. 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 (1<sup>st</sup> and 2<sup>nd</sup> liens combined) would be somewhere in the neighborhood of \$68 billion, still below 7(a) totals, but much closer.



Loan originations in the 504 program have slowed noticeably, due to rising interest rates and fears of a recession. Total originations in FY2023 through November 4th are down 55.2% vs the torrid pace set in FY2022. In dollar terms, most of the decline is being led by mid- and large size loans. Although all loan size groups are experiencing significant declines, the largest size loan group is showing the best performance, as loans greater than \$2.0M dropped 46.4% while the three other size groupings have declined 60.0% or more compared to last year.

## News Blurb(s) of the Month — CRA Rule-Making Should Invigorate Investment in CDFIs and Expand Beyond Traditional Banks, by Faith Bautista (CEO of National Asian American Coalition), Los Angeles Times

**November 9, 2022** – The Federal Reserve, OCC, and FDIC’s proposal to revise and modernize the Community Reinvestment Act (CRA) is long overdue. Originally passed in 1977 and amended in 1995, the CRA established oversight by federal regulators and encouraged federally insured banks to serve the communities in which they operate.

<https://www.latimes.com/cdfi/story/2022-11-09/cra-rule-making-should-invigorate-investment-in-cdfis-and-expand-beyond-traditional-banks>

Top SBA 504 Lenders				
	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)
<b>CDCs</b>	Mortgage Capital Development C	\$448.8	Mortgage Capital Development C	\$583.2
2nd Liens	CDC Small Business Finance Cor	\$440.1	CDC Small Business Finance Cor	\$587.1
	Business Finance Capital	\$427.3	Business Finance Capital	\$414.0
	Florida First Capital Finance	\$375.3	Empire State Certified Develop	\$425.1
	Empire State Certified Develop	\$362.7	Florida First Capital Finance	\$372.8
	Florida Business Development C	\$304.6	Florida Business Development C	\$413.1
	WBD, Inc.	\$270.5	California Statewide Certified	\$289.0
	California Statewide Certified	\$267.9	Mountain West Small Business F	\$287.0
	Mountain West Small Business F	\$264.0	WBD, Inc.	\$270.1
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$256.1
	<b>Total</b>	<b>\$8,218.1</b>	<b>Total</b>	<b>\$9,145.0</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$366.4
<b>TPLs</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	BANK FIVE NINE	\$261.0
1st liens	CITY NATIONAL BANK	\$202.9	BANK OF AMERICA, NATIONAL ASSOCIATION	\$243.5
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	CITY NATIONAL BANK	\$195.1
	ZIONS BANK, A DIVISION OF	\$152.6	ZIONS BANK, A DIVISION OF	\$188.9
	BANK FIVE NINE	\$136.7	POPPY BANK	\$182.5
	TD BANK, NATIONAL ASSOCIATION	\$126.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$179.9
	BANK OF THE WEST	\$117.9	MUFG UNION BANK, NATIONAL ASSOCIATION	\$156.1
	TRUIST BANK	\$111.0	FIRST CITIZENS BANK	\$117.0
	FIRST-CITIZENS BANK & TRUST COMPANY	\$92.3	HARVEST COMMERCIAL CAPITAL, LLC	\$112.7
	<b>Total</b>	<b>\$10,707.7</b>	<b>Total</b>	<b>\$12,134.1</b>

Top States for SBA 504 Loan Approvals				
	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Sep. 30, 2022)	
CA	\$1,936,220,000	CA	\$2,213,255,000	
FL	658,573,000	FL	728,313,000	
TX	406,503,000	TX	489,203,000	
IL	346,816,000	IL	427,936,000	
NY	329,880,000	NY	393,112,000	
UT	313,330,000	UT	366,160,000	
WI	297,781,000	MN	325,529,000	
MN	281,289,000	WI	287,098,000	
CO	238,617,000	GA	265,220,000	
GA	209,152,000	AZ	255,054,000	
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)	3.71%	3.03%	0.68%	2.24%	0.06%	1.56%
3m US T-Bill (BEY)	4.28%	3.45%	0.83%	2.65%	0.05%	1.55%
6m US T-Bill (BEY)	4.52%	4.09%	0.43%	3.13%	0.07%	1.58%
1y US T-Bill	4.59%	4.24%	0.35%	3.26%	0.17%	1.58%
2y US T-Note	4.34%	4.30%	0.04%	3.23%	0.51%	1.68%
3y US T-Note	4.17%	4.33%	-0.16%	3.13%	0.83%	1.70%
5y US T-Note	3.95%	4.14%	-0.19%	2.93%	1.23%	1.74%
10y US T-Note	3.82%	3.89%	-0.07%	2.78%	1.56%	1.94%
20y US T-Bond	4.24%	4.13%	0.11%	3.27%	1.96%	2.27%
30y US T-Bond	4.03%	3.86%	0.17%	3.04%	1.92%	2.43%
Federal Funds	3.83%	3.08%	0.75%	2.33%	0.08%	1.55%
Fed Discount Rate	4.00%	3.25%	0.75%	2.50%	0.25%	2.25%
Prime Rate	7.00%	6.25%	0.75%	5.50%	3.25%	4.75%
TED Spread	0.24%	0.42%	-0.18%	0.38%	0.08%	#VALUE!
<b>Swap Rates</b>						
2 Year Swap	4.88%	4.73%	0.15%	3.64%	0.79%	1.78%
5 Year Swap	4.18%	4.29%	-0.11%	3.15%	1.41%	1.80%
10 Year Swap	3.99%	4.06%	-0.07%	3.05%	1.71%	1.94%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	6.53%	5.60%	0.93%	4.96%	2.79%	3.85%
20 Yr	6.45%	6.36%	0.09%	4.89%	2.78%	3.68%
25 Yr	6.53%	6.44%	0.09%	4.98%	2.92%	3.74%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	5.94%	5.64%	0.30%	4.69%	2.43%	3.19%
10 Yr Variable	6.47%	6.11%	0.36%	4.92%	2.95%	3.90%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.09%	0.07%	0.02%	0.05%	0.03%	0.11%
3 Mon. CD - Non Jumbo	0.19%	0.15%	0.04%	0.10%	0.06%	0.19%
6 Mon. CD - Non Jumbo	0.42%	0.34%	0.08%	0.22%	0.09%	0.36%
1 Yr CD - Non Jumbo	0.71%	0.60%	0.11%	0.31%	0.14%	0.51%
2 Yr CD - Non Jumbo	0.77%	0.64%	0.13%	0.43%	0.17%	0.66%
3 Yr CD - Non Jumbo	0.77%	0.66%	0.11%	0.47%	0.20%	0.79%
Savings	0.21%	0.17%	0.04%	0.10%	0.06%	0.09%
Checking	0.04%	0.04%	0.00%	0.03%	0.03%	0.06%
Money Market - Non Jumbo	0.23%	0.18%	0.05%	0.12%	0.08%	0.16%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	3.78%	3.05%	0.73%	2.29%	0.05%	1.56%
FHLB Fixed Advances (30 day, < \$15m)	3.98%	3.49%	0.49%	2.54%	0.32%	1.77%

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