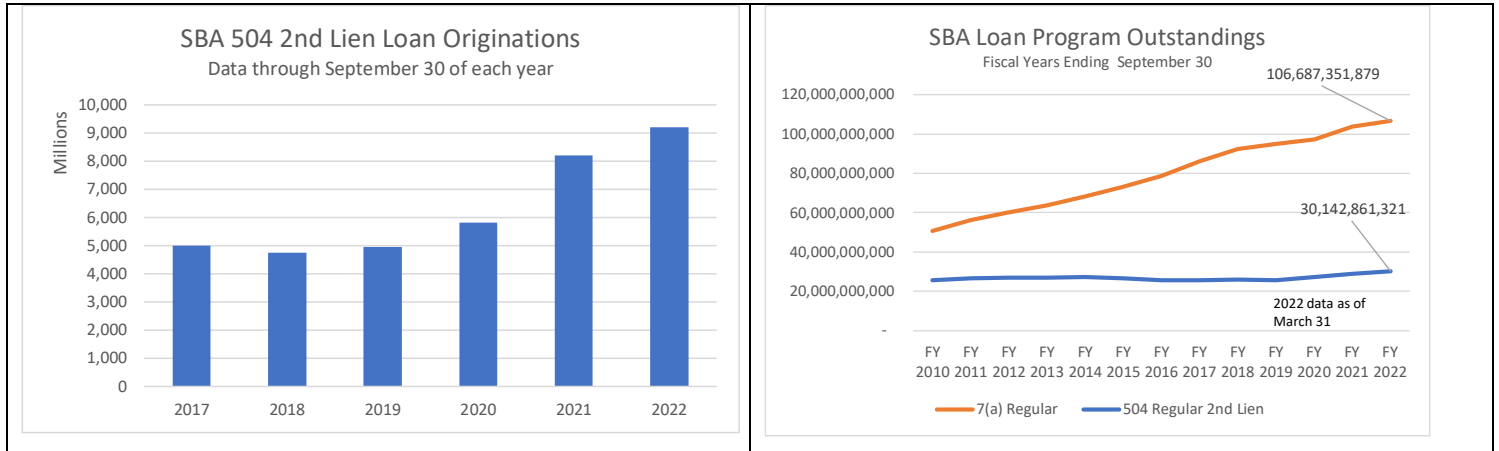
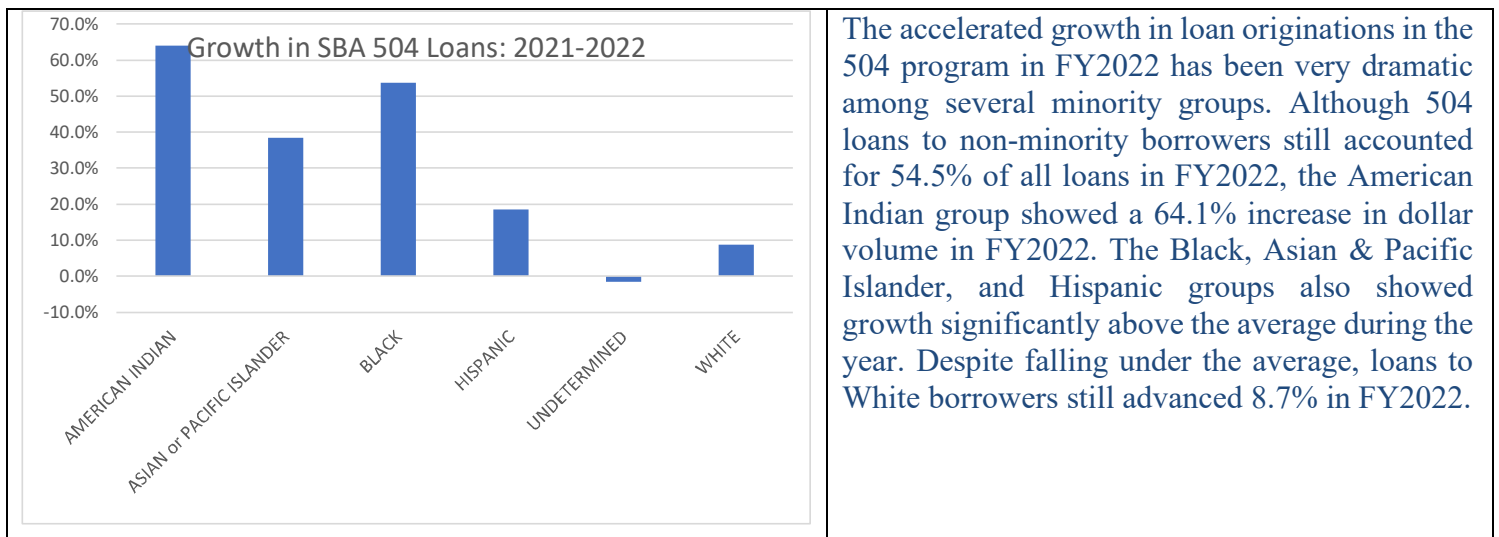


The final figures are now in for the SBA’s fiscal year 2022 504 loan program. The year started on a torrid pace of originations, and while the pace slowed over the course of the year, originations still climbed 12.0% compared to FY2021. Originations this year are also up 85.7% compared to FY2019 before the COVID 19 pandemic struck. 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 did not have the same expansion as 504 loans in FY2022. In fact, 7(a) loans declined (29.7%) 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 (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 in FY2022 has been very dramatic among several minority groups. Although 504 loans to non-minority borrowers still accounted for 54.5% of all loans in FY2022, the American Indian group showed a 64.1% increase in dollar volume in FY2022. The Black, Asian & Pacific Islander, and Hispanic groups also showed growth significantly above the average during the year. Despite falling under the average, loans to White borrowers still advanced 8.7% in FY2022.

Editor’s Note — On this page, we typically publish a “News Blurb of the Month” highlighting a recent development related to the Community Reinvestment Act. We then usually follow this with a table showing the top SBA 504 lenders nationwide year-to-date. However, since the SBA lender data has not been updated for several months, and because there were a number of notable new CRA developments recently, we are publishing several news blurbs this month and skipping the top 504 lender table.

Chairwoman Waters Introduces Legislation to Strengthen the Community Reinvestment Act, End Modern-Day Redlining, U.S. House Committee on Financial Services Press Release **September 15, 2022** – Today, **Congresswoman Maxine Waters (D-CA)**, Chairwoman of the House Committee on Financial Services introduced *H.R. 8833*, the “***Making Communities Stronger Through the Community Reinvestment Act.***” This transformative piece of legislation is a part of Chairwoman Waters’ continuing efforts to root out discrimination in our modern-day banking system and close the racial wealth and homeownership gaps by making key reforms to the Community Reinvestment Act (CRA).

<https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=409780>

House Bill To Revise Community Reinvestment Act Would Put New Focus On Fair Lending, Skadden, Arps, Slate, Meagher, & Flom, LLP, Bao Nguyen, Anand S. Raman, Khalil N. Maalouf, Darren M. Welch

September 28, 2022 - Legislation introduced on September 15, 2022 by Maxine Waters (D-Cal.), chair of the House Committee on Financial Services, would significantly revise the Community Reinvestment Act (CRA), adding a number of new substantive and procedural requirements.

<https://www.skadden.com/insights/publications/2022/09/house-bill-to-revise-community-reinvestment-act>

State Community Reinvestment Acts Reaching Beyond Banks, Caroline Eisner, Alston & Bird Consumer Finance Abstract

September 23, 2022 - When Congress passed the federal Community Reinvestment Act (“CRA”) in 1977 to address redlining, it imposed affirmative requirements on insured depository institutions to serve the credit needs of the communities where they receive deposits. At that time, banks were extending the vast majority of mortgages nationally. However, non-banks have become the dominant mortgage lenders, by some estimates accounting for more than two thirds of residential mortgage loans in 2021.

<https://www.alstonconsumerfinance.com/state-community-reinvestment-acts-reaching-beyond-banks/>

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)	3.03%	2.30%	0.73%	1.55%	0.03%	1.76%
3m US T-Bill (BEY)	3.45%	3.07%	0.38%	1.95%	0.05%	1.75%
6m US T-Bill (BEY)	4.09%	3.42%	0.67%	2.64%	0.06%	1.73%
1y US T-Bill	4.24%	3.60%	0.64%	2.87%	0.10%	1.64%
2y US T-Note	4.30%	3.45%	0.85%	3.03%	0.32%	1.46%
3y US T-Note	4.33%	3.50%	0.83%	3.05%	0.57%	1.41%
5y US T-Note	4.14%	3.37%	0.77%	3.05%	1.02%	1.38%
10y US T-Note	3.89%	3.27%	0.62%	3.01%	1.58%	1.56%
20y US T-Bond	4.13%	3.67%	0.46%	3.45%	2.08%	1.85%
30y US T-Bond	3.86%	3.42%	0.44%	3.20%	2.13%	2.05%
Federal Funds	3.08%	2.33%	0.75%	1.58%	0.08%	1.82%
Fed Discount Rate	3.25%	2.50%	0.75%	1.75%	0.25%	2.50%
Prime Rate	6.25%	5.50%	0.75%	4.75%	3.25%	5.00%
TED Spread	0.46%	0.12%	0.33%	0.48%	0.07%	0.26%
Swap Rates						
2 Year Swap	4.72%	3.98%	0.74%	3.45%	0.43%	1.55%
5 Year Swap	4.29%	3.60%	0.68%	3.23%	1.21%	1.43%
10 Year Swap	4.05%	3.52%	0.53%	3.23%	1.71%	1.55%
SBA 504 2nd Lien Loan Rates						
10 Yr	5.60%	5.32%	0.28%	4.96%	2.37%	3.48%
20 Yr	6.36%	5.34%	1.02%	5.05%	2.77%	3.40%
25 Yr	6.44%	5.44%	1.00%	5.11%	2.91%	3.48%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	5.21%	4.63%	0.58%	4.57%	2.33%	3.21%
10 Yr Variable	5.77%	5.23%	0.54%	4.72%	3.00%	3.92%
Depository Rates						
1 Mon. CD - Non Jumbo	0.07%	0.06%	0.01%	0.04%	0.03%	0.12%
3 Mon. CD - Non Jumbo	0.15%	0.12%	0.03%	0.08%	0.06%	0.20%
6 Mon. CD - Non Jumbo	0.34%	0.27%	0.07%	0.17%	0.09%	0.38%
1 Yr CD - Non Jumbo	0.60%	0.46%	0.14%	0.25%	0.14%	0.54%
2 Yr CD - Non Jumbo	0.64%	0.51%	0.13%	0.34%	0.17%	0.70%
3 Yr CD - Non Jumbo	0.66%	0.54%	0.12%	0.37%	0.21%	0.83%
Savings						
Savings	0.17%	0.13%	0.04%	0.08%	0.06%	0.09%
Checking						
Checking	0.04%	0.03%	0.01%	0.03%	0.03%	0.06%
Money Market - Non Jumbo						
Money Market - Non Jumbo	0.18%	0.14%	0.04%	0.09%	0.08%	0.18%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	3.05%	2.29%	0.76%	1.54%	0.05%	1.82%
FHLB Fixed Advances (30 day, < \$15m)	3.47%	3.01%	0.46%	1.91%	0.32%	1.96%

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