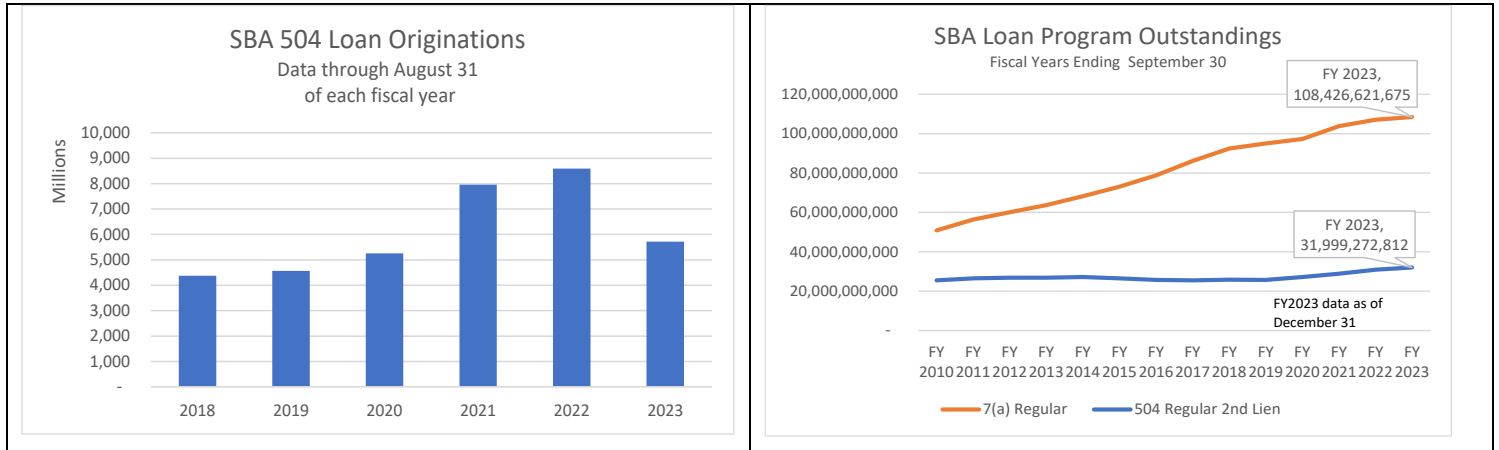
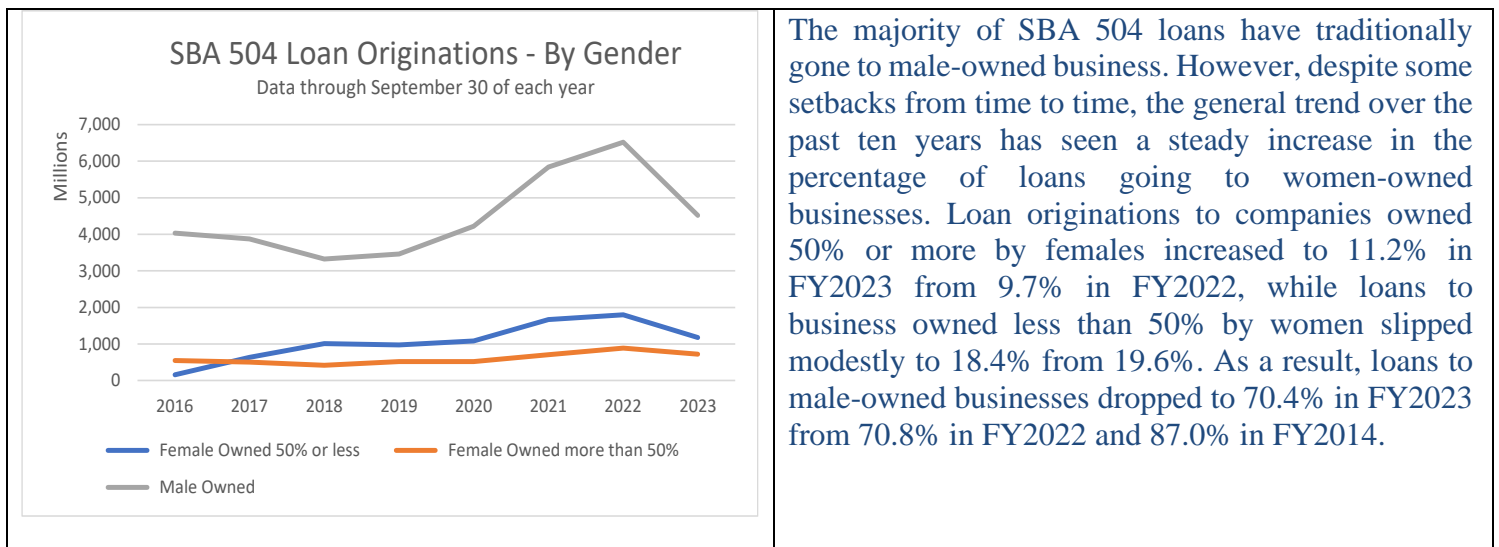


September 30 marks the end of the SBA’s fiscal year 2023, and loan originations under the 504 loan program concluded the year at substantially lower levels than in the prior two years. For the full fiscal year 2023, 504 loan originations are down 30.3% compared to FY2022, though this is a modest improvement from the 33.4% decline as of August 31, 2023. We believe the slowdown in FY2023 was primarily due to the rapidly rising interest rate environment, fears of a recession, and a pullback from the efforts to counteract the impact of the COVID-19 pandemic. Unpaid Principal Balance of SBA 504 loans stood at \$32.00 billion as of December 31, 2022, up 3.7% compared to the \$30.87 billion figure at year-end FY2022. Unlike SBA 504 loans, SBA 7(a) loan originations performed well in FY2023. SBA 7(a) originations increased 7.1% in FY2023 compared to the same period in FY2022. The unpaid principal balance of 7(a) loans was \$108.43 billion at December 31, 2022, up 1.2% compared to year-end FY2022.



The 7(a) program has shown steady growth in loans outstanding in recent years that continued into FY2023 (up 1.2% year-to-date in FY2023, 3.1% in FY2022, and 6.8% in FY2021). 504 loans have shown accelerating growth, rising 3.7% year-to-date in FY2023, 6.7% to \$30.9 billion at year-end FY2022, and 6.4% in FY2021. 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 roughly 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 \$72 billion, still below 7(a) totals, but equal to approximately 67% of the 7(a) balance.



The majority of SBA 504 loans have traditionally gone to male-owned business. However, despite some setbacks from time to time, the general trend over the past ten years has seen a steady increase in the percentage of loans going to women-owned businesses. Loan originations to companies owned 50% or more by females increased to 11.2% in FY2023 from 9.7% in FY2022, while loans to business owned less than 50% by women slipped modestly to 18.4% from 19.6%. As a result, loans to male-owned businesses dropped to 70.4% in FY2023 from 70.8% in FY2022 and 87.0% in FY2014.

## News Blurb(s) of the Month — The Community Reinvestment Act (CRA) Rule Proposed by The Federal Reserve, FDIC And OCC Is Deeply Flawed And Will Not Work, Better Markets.

**September 18, 2023** – Dennis Kelleher, Co-Founder, President, and CEO, issued the following statement in connection with Better Markets release of a [Policy Brief](#) to accompany its recently filed supplemental [comment letter](#), which details extensive statistical analysis using Federal Reserve data that proves the proposed Community Reinvestment Act (“CRA”) rule changes will not work, will not stop redlining, and will not increase mortgage lending for low- and moderate-income families

<https://bettermarkets.org/newsroom/the-community-reinvestment-act-cra-rule-proposed-by-the-federal-reserve-fdic-and-occ-is-deeply-flawed-and-will-not-work/>

Top SBA 504 Lenders				
	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)	FY2023 (Through Jun. 30, 2023)	Volume (\$Millions)
<b>CDCs</b>	Mortgage Capital Development C	\$623.4	Mortgage Capital Development C	\$442.1
2nd Liens	CDC Small Business Finance Cor	\$538.9	Florida Business Development C	\$299.8
	Empire State Certified Develop	\$426.6	Empire State Certified Develop	\$252.2
	Florida Business Development C	\$419.1	Florida First Capital Finance	\$249.5
	Business Finance Capital	\$414.0	Business Finance Capital	\$218.1
	Florida First Capital Finance	\$372.8	California Statewide Certified	\$186.7
	California Statewide Certified	\$301.7	Small Business Growth Corporat	\$154.2
	Mountain West Small Business F	\$292.0	Mountain West Small Business F	\$145.7
	WBD, Inc.	\$270.1	Capital Certified Development	\$125.2
	Small Business Growth Corporat	\$259.4	CDC Small Business Finance Cor	\$125.1
	<b>Total</b>	<b>\$9,208.0</b>	<b>Total</b>	<b>\$4,778.9</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$434.2	BANK FIVE NINE	\$212.2
<b>TPLs</b>	BANK FIVE NINE	\$261.6	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$193.2
1st liens	BANK OF AMERICA, NATIONAL ASSOCIATION	\$247.0	BANK OF AMERICA, NATIONAL ASSOCIATION	\$169.4
	U. S. BANK, NATIONAL ASSOCIATION	\$199.9	POPPY BANK	\$128.6
	CITY NATIONAL BANK	\$197.2	ZIONS BANK, A DIVISION OF	\$106.5
	ZIONS BANK, A DIVISION OF	\$189.6	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$105.2
	POPPY BANK	\$182.5	U.S. BANK, NATIONAL ASSOCIATION	\$102.7
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$180.4	CALPRIVATE BANK	\$93.7
	FIRST CITIZENS BANK	\$117.0	HARVEST COMMERCIAL CAPITAL, LLC	\$87.0
	HARVEST COMMERCIAL CAPITAL, LLC	\$113.6	CELTIC BANK CORPORATION	\$85.4
	<b>Total</b>	<b>\$12,208.1</b>	<b>Total</b>	<b>\$6,674.5</b>

Top States for SBA 504 Loan Approvals				
	FY2022 (Through Sep. 30, 2022)		FY2023 (Through Jun. 30, 2023)	
CA	\$2,234,541,000	CA	\$1,082,775,000	
FL	732,352,000	FL	494,764,000	
TX	489,889,000	TX	312,890,000	
IL	430,463,000	IL	226,546,000	
NY	394,153,000	NY	193,290,000	
UT	371,026,000	UT	181,713,000	
MN	326,931,000	GA	161,984,000	
WI	287,098,000	MN	129,039,000	

### 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)	5.60%	5.53%	0.07%	5.37%	3.35%	0.09%
3m US T-Bill (BEY)	5.62%	5.55%	0.07%	5.47%	3.79%	0.11%
6m US T-Bill (BEY)	5.57%	5.51%	0.06%	5.49%	4.30%	0.12%
1y US T-Bill	5.41%	5.42%	-0.01%	5.28%	4.47%	0.13%
2y US T-Note	5.04%	5.00%	0.04%	4.67%	4.43%	0.15%
3y US T-Note	4.81%	4.68%	0.14%	4.28%	4.44%	0.18%
5y US T-Note	4.65%	4.39%	0.26%	3.93%	4.21%	0.31%
10y US T-Note	4.63%	4.25%	0.38%	3.76%	3.97%	0.74%
20y US T-Bond	4.97%	4.52%	0.45%	4.07%	4.25%	1.29%
30y US T-Bond	4.78%	4.34%	0.44%	3.90%	3.97%	1.52%
Federal Funds	5.33%	5.33%	0.00%	5.08%	3.08%	0.09%
Fed Discount Rate	5.50%	5.50%	0.00%	5.25%	3.25%	0.25%
Prime Rate	8.50%	8.50%	0.00%	8.25%	6.25%	3.25%
TED Spread	0.03%	0.11%	-0.08%	0.10%	0.31%	0.13%
<b>Swap Rates</b>						
2 Year Swap	5.39%	5.35%	0.04%	5.01%	4.87%	0.30%
5 Year Swap	4.86%	4.65%	0.21%	4.22%	4.36%	0.50%
10 Year Swap	4.78%	4.44%	0.34%	3.99%	4.12%	0.91%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	6.94%	7.05%	-0.11%	7.06%	5.60%	2.47%
20 Yr	7.18%	6.86%	0.32%	6.63%	6.36%	2.55%
25 Yr	7.13%	6.81%	0.32%	6.58%	6.44%	2.58%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	7.19%	7.11%	0.08%	6.49%	6.06%	2.47%
10 Yr Variable	7.42%	7.27%	0.15%	6.91%	5.77%	3.17%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.21%	0.22%	-0.01%	0.20%	0.07%	0.05%
3 Mon. CD - Non Jumbo	1.37%	1.33%	0.04%	1.07%	0.15%	0.08%
6 Mon. CD - Non Jumbo	1.36%	1.34%	0.02%	1.26%	0.34%	0.12%
1 Yr CD - Non Jumbo	1.76%	1.76%	0.00%	1.63%	0.60%	0.19%
2 Yr CD - Non Jumbo	1.51%	1.50%	0.01%	1.45%	0.64%	0.24%
3 Yr CD - Non Jumbo	1.38%	1.40%	-0.02%	1.36%	0.66%	0.29%
Savings	0.45%	0.43%	0.02%	0.42%	0.17%	0.05%
Checking	0.07%	0.07%	0.00%	0.07%	0.04%	0.04%
Money Market - Non Jumbo	0.65%	0.62%	0.03%	0.61%	0.18%	0.08%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	5.31%	5.30%	0.01%	5.05%	3.04%	0.09%
FHLB Fixed Advances (30 day, < \$15m)	5.59%	5.50%	0.09%	5.41%	3.67%	0.39%

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