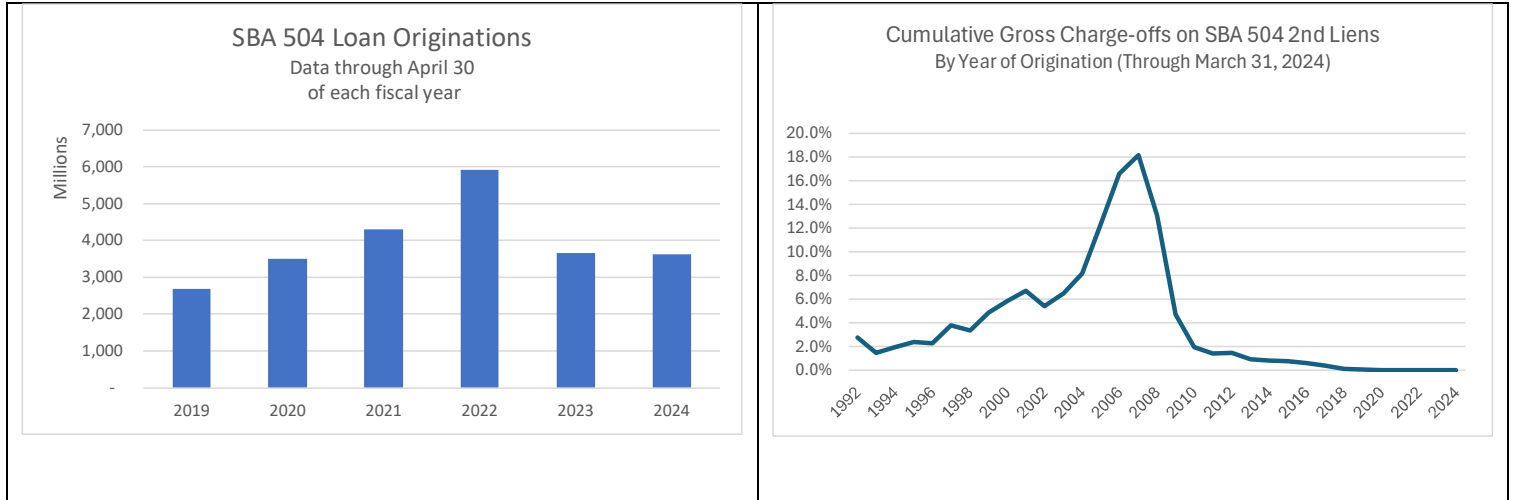
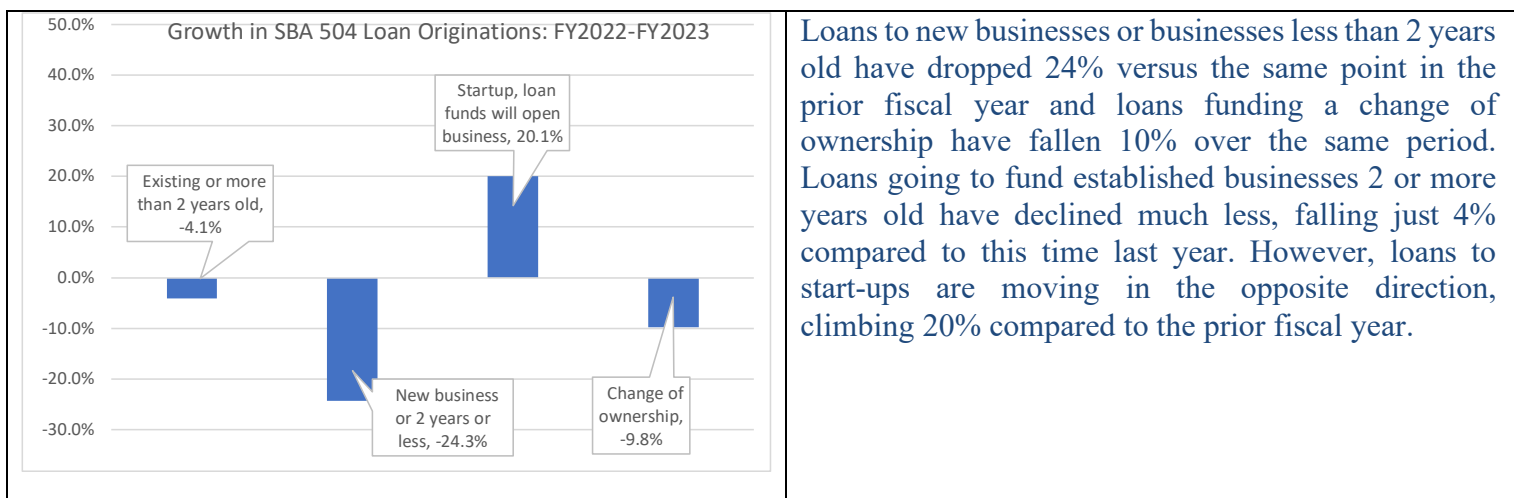


For the first time in three months, it seems the data provided for year-to-date 504 lending volumes on the SBA website is up to date. Through April 30, 2024, 504 loan originations are down 1.2% compared to the same point in FY2023, a significant improvement from the 3.1% decline reported at the end of March 2024. SBA 7(a) originations showed a similar improvement over the prior month, but they are now up 6.5% fiscal year-to-date compared to the same period in FY2023, which is a solid improvement over the 1.7% advance measured at March 31, 2024.



The chart on the right above shows cumulative gross charge-offs on SBA 504 second lien loans by year of origination. As a reminder, an SBA 504 project has three components; an equity portion contributed by the borrower, the second lien portion held by the SBA through a CDC, and the first lien portion originated by a private lender. Comprehensive statistics on the private lender portion are not available, but statistics on the SBA/CDC second lien portion are. Since this is the loan that takes the first loss position, this portion of the loan project is likely to see higher charge-offs than the private lender first lien portion. As shown in the chart above, gross charge-offs for the SBA/CDC portion have been very low since the end of the financial crisis. In fact, cumulative gross charge-offs have been below 1.0% for every fiscal year since FY2013, and below 0.5% since FY2017. There have been no gross charge-offs in any of the fiscal years starting with FY2020.



Loans to new businesses or businesses less than 2 years old have dropped 24% versus the same point in the prior fiscal year and loans funding a change of ownership have fallen 10% over the same period. Loans going to fund established businesses 2 or more years old have declined much less, falling just 4% compared to this time last year. However, loans to start-ups are moving in the opposite direction, climbing 20% compared to the prior fiscal year.

News Blurb(s) of the Month - After 3 Years, Illinois Poised to Enforce Law Aiming to End Lending Discrimination, Peter Hancock, Capitol News Illinois.

April 30, 2024 – In 1977, then-President Jimmy Carter signed into law the Community Reinvestment Act, a federal law that sought to wipe away the last vestiges of racial discrimination and redlining in America’s home mortgage industry. Nearly half a century later, many people in Illinois argue the federal CRA has failed to live up to its promise.

<https://news.wttw.com/2024/04/30/after-3-years-illinois-poised-enforce-law-aiming-end-lending-discrimination>

Top SBA 504 Lenders

	FY2023 (Through Sep. 30, 2023)	Volume (\$Millions)	FY2024 (Through Mar. 31, 2024)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$632.9	Mortgage Capital Development C	\$320.1
2nd Liens	Florida Business Development C	\$402.3	Florida Business Development C	\$221.5
	Florida First Capital Finance	\$338.9	Business Finance Capital	\$187.6
	Empire State Certified Develop	\$291.3	California Statewide Certified	\$157.4
	Business Finance Capital	\$284.5	Florida First Capital Finance	\$150.8
	California Statewide Certified	\$281.5	Empire State Certified Develop	\$123.7
	Mountain West Small Business F	\$197.5	Mountain West Small Business F	\$94.8
	Small Business Growth Corporat	\$196.8	WBD, Inc.	\$82.0
	Capital Certified Development	\$190.5	Small Business Growth Corporat	\$78.5
	CDC Small Business Finance Cor	\$166.5	Capital Certified Development	\$72.3
	Total	\$6,419.4	Total	\$3,051.6
Banks/	BANK FIVE NINE	\$272.6	BANK OF AMERICA, NATIONAL ASSOCIATION	\$153.2
TPLs	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$250.8	FIRST-CITIZENS BANK & TRUST COMPANY	\$125.2
1st liens	BANK OF AMERICA, NATIONAL ASSOCIATION	\$238.4	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$123.7
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$165.9	BANK FIVE NINE	\$94.9
	CELTIC BANK CORPORATION	\$163.8	CELTIC BANK CORPORATION	\$70.4
	POPPY BANK	\$143.1	FIRST CITIZENS BANK	\$70.2
	ZIONS BANK, A DIVISION OF	\$142.2	HARVEST COMMERCIAL CAPITAL, LLC	\$67.0
	CALPRIVATE BANK	\$119.3	LIVE OAK BANKING COMPANY	\$62.5
	U.S. BANK, NATIONAL ASSOCIATION	\$111.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$62.2
	HARVEST COMMERCIAL CAPITAL, LLC	\$107.0	CALPRIVATE BANK	\$56.9
	Total	\$8,969.7	Total	\$4,194.5

Top States for SBA 504 Loan Approvals

	FY2023 (Through Sep. 30, 2023)		FY2024 (Through Mar. 31, 2024)
CA	\$1,494,047,000	CA	\$743,199,000
FL	673,256,000	FL	299,252,000
TX	425,687,000	TX	194,625,000
IL	299,333,000	GA	143,090,000
UT	239,479,000	IL	129,123,000
NY	236,476,000	NY	116,733,000
GA	214,696,000	AZ	98,240,000
MN	181,884,000	UT	85,955,000
AZ	180,408,000	WI	84,171,000
MA	177,558,000	MA	79,432,000
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)	5.51%	5.49%	0.02%	5.49%	5.50%	0.02%
3m US T-Bill (BEY)	5.47%	5.45%	0.02%	5.44%	5.24%	0.02%
6m US T-Bill (BEY)	5.43%	5.40%	0.03%	5.26%	5.13%	0.04%
1y US T-Bill	5.17%	5.19%	-0.02%	4.86%	4.70%	0.05%
2y US T-Note	4.87%	4.97%	-0.10%	4.48%	3.90%	0.16%
3y US T-Note	4.65%	4.77%	-0.12%	4.25%	3.55%	0.32%
5y US T-Note	4.52%	4.61%	-0.09%	4.14%	3.37%	0.80%
10y US T-Note	4.50%	4.55%	-0.05%	4.17%	3.43%	1.63%
20y US T-Bond	4.74%	4.76%	-0.02%	4.48%	3.88%	2.20%
30y US T-Bond	4.64%	4.64%	0.00%	4.37%	3.80%	2.32%
Federal Funds	5.33%	5.33%	0.00%	5.33%	5.08%	0.06%
Fed Discount Rate	5.50%	5.50%	0.00%	5.50%	5.25%	0.25%
Prime Rate	8.50%	8.50%	0.00%	8.50%	8.25%	3.25%
TED Spread	0.13%	0.14%	-0.01%	0.13%	0.05%	0.14%
Swap Rates						
2 Year Swap	5.22%	5.28%	-0.07%	4.79%	4.34%	0.28%
5 Year Swap	4.73%	4.77%	-0.04%	4.35%	3.67%	0.94%
10 Year Swap	4.59%	4.58%	0.01%	4.28%	3.64%	1.68%
SBA 504 2nd Lien Loan Rates						
10 Yr	6.89%	6.59%	0.30%	6.53%	6.04%	2.61%
20 Yr	6.65%	6.76%	-0.11%	6.49%	6.07%	2.85%
25 Yr	6.55%	6.69%	-0.14%	6.38%	6.02%	2.93%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	6.65%	6.35%	0.30%	6.18%	5.86%	2.38%
10 Yr Variable	7.30%	6.99%	0.31%	7.15%	6.46%	3.25%
Depository Rates						
1 Mon. CD - Non Jumbo	0.22%	0.22%	0.00%	0.23%	0.24%	0.02%
3 Mon. CD - Non Jumbo	1.65%	1.66%	-0.01%	1.67%	0.78%	0.05%
6 Mon. CD - Non Jumbo	1.57%	1.52%	0.05%	1.51%	1.03%	0.09%
1 Yr CD - Non Jumbo	1.81%	1.81%	0.00%	1.86%	1.54%	0.14%
2 Yr CD - Non Jumbo	1.54%	1.53%	0.01%	1.57%	1.43%	0.17%
3 Yr CD - Non Jumbo	1.41%	1.38%	0.03%	1.40%	1.34%	0.19%
Savings	0.46%	0.47%	-0.01%	0.47%	0.39%	0.06%
Checking	0.08%	0.07%	0.01%	0.07%	0.06%	0.03%
Money Market - Non Jumbo	0.66%	0.67%	-0.01%	0.65%	0.57%	0.06%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	5.31%	5.31%	0.00%	5.31%	5.06%	0.01%
CME Term SOFR 1M	5.32%	5.32%	0.00%	5.32%	5.05%	0.02%
CME Term SOFR 3M	5.32%	5.31%	0.02%	5.31%	5.08%	0.03%
CME Term SOFR 6M	5.29%	5.25%	0.04%	5.19%	5.03%	0.04%
FHLB Fixed Advances (30 day, < \$15m)	5.52%	5.51%	0.01%	5.51%	5.29%	0.27%

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