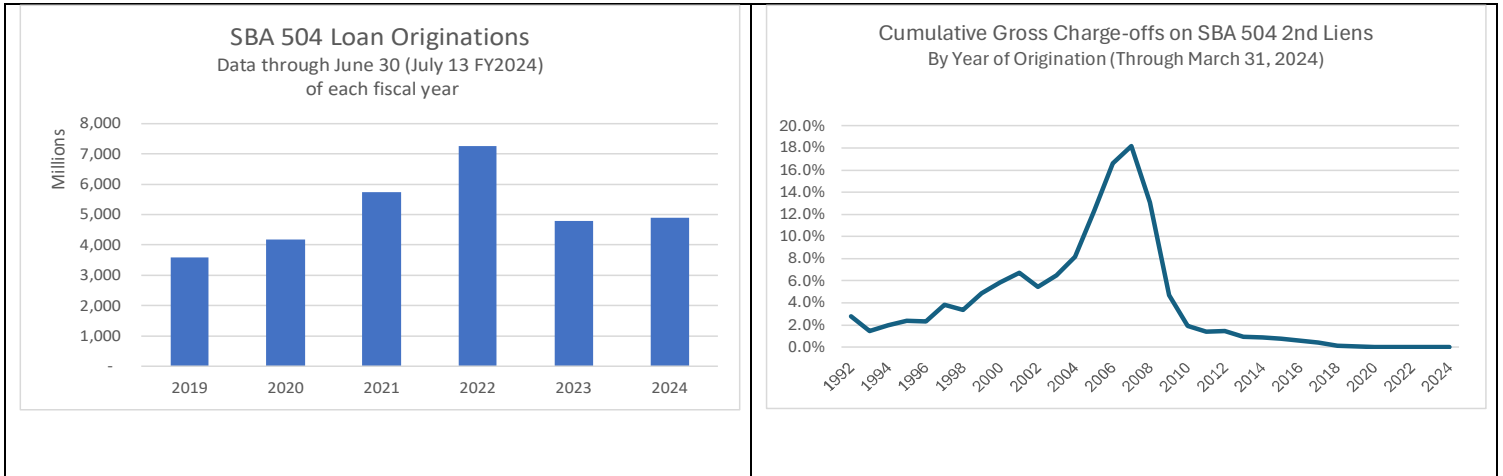
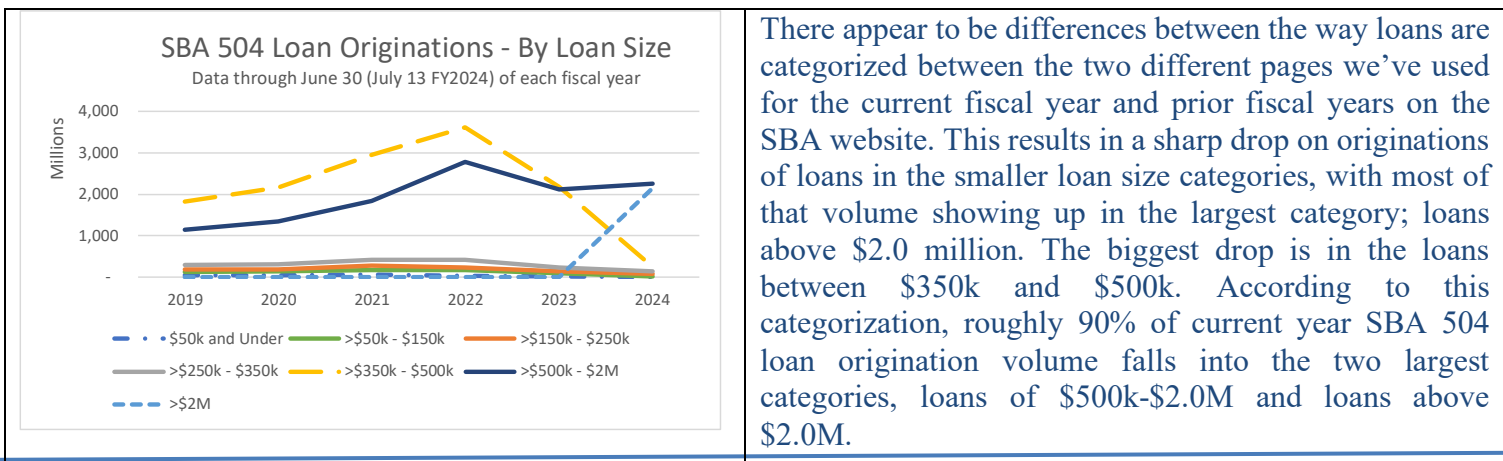


Once again (for the 4th time in six months), the SBA website data for YTD loan volumes for the SBA 7(a) and 504 programs is only partially updated, with prior fiscal year figures updated through June 30, but current year figures unchanged from May 31. We are using data from a separate page of the website that provides current loan volumes through July 13, 2024 for FY2024, but not prior years, so our growth figures do not compare volumes on the same dates. In any case, through July 13, 2024, 504 loan originations are up 2.6% compared to the prior year at June 30. They were down 1.6% compared to the prior year last month, though this month's figures are skewed by the extra two weeks included in the FY2024 figures. Likewise, SBA 7(a) originations are now up 16.3% fiscal year-to-date (through July 13) compared to the same period (through June 30) in FY2023, which is up considerably over the 8.5% advance measured at May 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.



The information presented herein is not an offer, or the solicitation of an offer, to buy or sell any of the products described herein. Any terms or conditions contained herein are indicative and are provided for discussion purposes only. This is intended as an outline only and does not purport to list or summarize all of the terms and conditions of a particular transaction, nor to identify or define all of the risks that would be associated with the purchase or sale of the products described herein. All information contained herein is qualified in its entirety by the information that would be contained in the final documentation for any transaction. The information contained herein should not be construed as investment advice or a recommendation to purchase any of the referenced securities described herein.

News Blurb(s) of the Month — CEO Update: Opposing Expansion of the Community Reinvestment Act (CRA), Anthony Hernandez, Defense Credit Union Council

June 18, 2024 – Of note, the impact would extend to credit unions with 75,000 members as it would force them to consider the consequences of increasing their membership due to potential mergers and bank acquisitions. As with any regulations, once implemented, DCUC anticipates the floor will drop even lower since CRA already applies to all banks. Once this legislation passes, let’s just say adverse consequences tend to follow.

<https://www.d cuc.org/news/ceo-update-opposing-expansion-of-the-community-reinvestment-act-cra>

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	

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)	5.47%	5.47%	0.00%	5.48%	5.36%	0.05%
3m US T-Bill (BEY)	5.43%	5.51%	-0.08%	5.45%	5.47%	0.05%
6m US T-Bill (BEY)	5.23%	5.38%	-0.15%	5.36%	5.53%	0.06%
1y US T-Bill	4.87%	5.13%	-0.26%	5.13%	5.35%	0.08%
2y US T-Note	4.45%	4.75%	-0.30%	4.88%	4.72%	0.23%
3y US T-Note	4.22%	4.48%	-0.26%	4.70%	4.36%	0.43%
5y US T-Note	4.10%	4.32%	-0.22%	4.54%	4.07%	0.81%
10y US T-Note	4.18%	4.31%	-0.13%	4.50%	3.86%	1.38%
20y US T-Bond	4.50%	4.56%	-0.06%	4.73%	4.14%	1.93%
30y US T-Bond	4.39%	4.47%	-0.08%	4.61%	3.96%	2.00%
Federal Funds	5.33%	5.33%	0.00%	5.33%	5.08%	0.10%
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	0.12%	0.09%	0.03%	0.14%	0.07%	0.07%
Swap Rates						
2 Year Swap	4.76%	5.01%	-0.25%	5.26%	5.11%	0.33%
5 Year Swap	4.28%	4.47%	-0.19%	4.76%	4.30%	0.99%
10 Year Swap	4.22%	4.35%	-0.13%	4.59%	4.06%	1.49%
SBA 504 2nd Lien Loan Rates						
10 Yr	6.48%	6.89%	-0.41%	6.59%	7.06%	2.59%
20 Yr	6.27%	6.44%	-0.17%	6.76%	6.63%	2.69%
25 Yr	6.20%	6.35%	-0.15%	6.69%	6.58%	2.81%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	6.43%	6.47%	-0.04%	6.35%	6.49%	2.30%
10 Yr Variable	7.19%	7.12%	0.07%	7.34%	6.91%	2.99%
Depository Rates						
1 Mon. CD - Non Jumbo	0.23%	0.23%	0.00%	0.22%	0.20%	0.03%
3 Mon. CD - Non Jumbo	1.53%	1.53%	0.00%	1.66%	1.07%	0.07%
6 Mon. CD - Non Jumbo	1.81%	1.79%	0.02%	1.52%	1.26%	0.09%
1 Yr CD - Non Jumbo	1.86%	1.80%	0.06%	1.81%	1.63%	0.14%
2 Yr CD - Non Jumbo	1.57%	1.54%	0.03%	1.53%	1.45%	0.17%
3 Yr CD - Non Jumbo	1.44%	1.42%	0.02%	1.38%	1.36%	0.20%
Savings	0.45%	0.45%	0.00%	0.47%	0.42%	0.06%
Checking	0.08%	0.08%	0.00%	0.07%	0.07%	0.03%
Money Market - Non Jumbo	0.67%	0.68%	-0.01%	0.67%	0.61%	0.09%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	5.34%	5.32%	0.02%	5.31%	5.06%	0.05%
CME Term SOFR 1M	5.33%	5.33%	0.00%	5.32%	5.20%	0.05%
CME Term SOFR 3M	5.30%	5.35%	-0.05%	5.33%	5.30%	0.05%
CME Term SOFR 6M	5.21%	5.31%	-0.11%	5.31%	5.40%	0.05%
FHLB Fixed Advances (30 day, < \$15m)	5.58%	5.51%	0.07%	5.53%	5.39%	0.31%

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