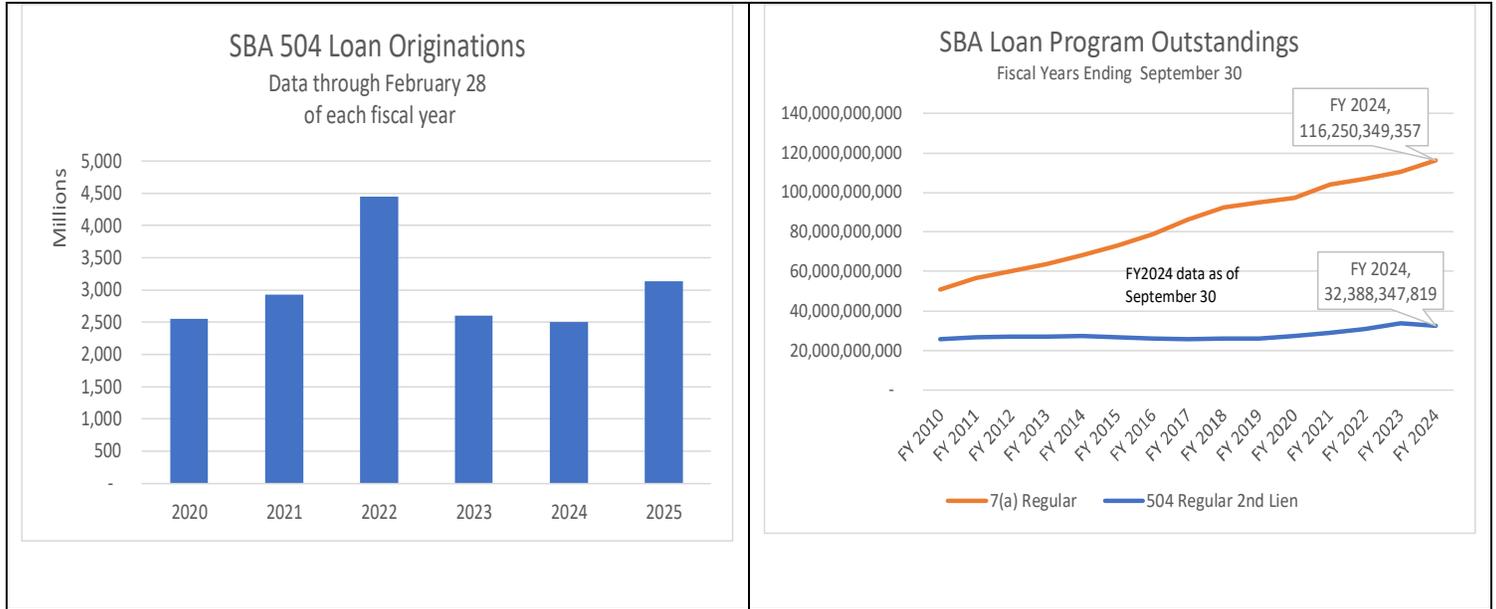
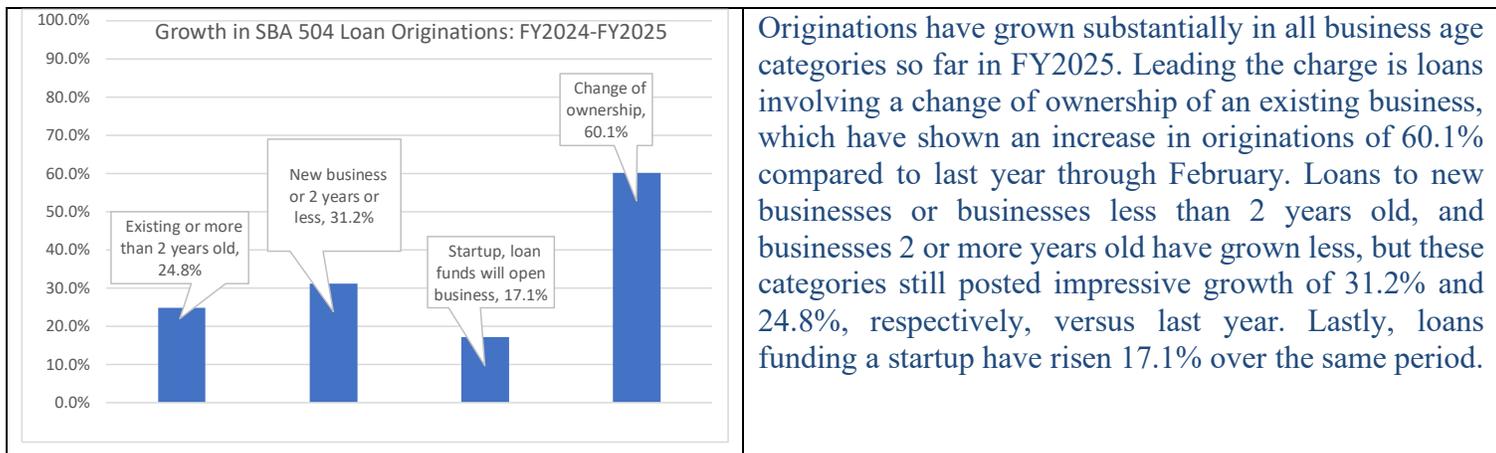


Four months into fiscal year 2025, SBA 504 loan originations are up 25.0% as of February 28, 2025 compared to the prior fiscal year. This represents a noticeable acceleration compared to the 18.5% rise posted as of January 31, 2025. Year-to-date approval volumes are at the highest level in the last five years, with the exception of the pandemic year of FY2022. Originations in the SBA's other major loan program, SBA 7(a) loans, accelerated to a 40.8% increase compared to the prior fiscal year, up from the 39.3% jump in originations recorded through January 31, 2025.



The 7(a) program has shown steady growth in loans outstanding in recent years that continued into FY2024 (up 5.3% in FY2024, 3.1% in FY2023, 3.1% in FY2022, and 6.8% in FY2021). 504 loans posted a 4.1% decline in originations in FY2024 compared to the prior year, after rising 9.7% in FY2023, 6.7% in FY2022, and 6.4% in FY2021. However, as noted above, origination volumes in the 504 program have started strong in FY2025 following two years of lower volumes. If this trend continues, it should lead to renewed growth in loans outstanding. We continue to note that 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 projects supported by the SBA 504 second lien loans at September 30, 2024 would be roughly \$81 billion, equal to approximately 70% of the 7(a) balance.



Originations have grown substantially in all business age categories so far in FY2025. Leading the charge is loans involving a change of ownership of an existing business, which have shown an increase in originations of 60.1% compared to last year through February. Loans to new businesses or businesses less than 2 years old, and businesses 2 or more years old have grown less, but these categories still posted impressive growth of 31.2% and 24.8%, respectively, versus last year. Lastly, loans funding a startup have risen 17.1% over the same period.

News Blurb(s) of the Month — Why Discard the Traditional Assessment Area Approach to CRA Regulation? Paul Calem, Bank Policy Institute

February 25, 2025 – Due to the growth in online banking and the declining role of physical branches, some have argued that this branch-centric approach to CRA regulation has become obsolete. They contend that banks’ assessment areas should be broadened to include areas where they may have substantial online or mobile presence. In 2023, the federal banking regulatory agencies adopted a new CRA rule that reflects this more expansive view of CRA assessment areas.

This reasoning may have intuitive appeal. However, it does not hold up under scrutiny, as this note will demonstrate.

<https://bpi.com/why-discard-the-traditional-assessment-area-approach-to-cra-regulation/>

Top SBA 504 Lenders				
	FY2024 (Through Sep. 30, 2024)	Volume (\$Millions)	FY2025 (Through Dec. 31, 2024)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$644.6	Mortgage Capital Development C	\$193.0
2nd Liens	Florida Business Development C	\$443.8	Florida Business Development C	\$115.9
	Florida First Capital Finance	\$387.3	Florida First Capital Finance	\$109.4
	Business Finance Capital	\$361.4	Business Finance Capital	\$101.5
	California Statewide Certified	\$290.7	Mountain West Small Business F	\$92.9
	Empire State Certified Develop	\$264.6	Empire State Certified Develop	\$72.8
	Mountain West Small Business F	\$225.5	Capital Certified Development	\$62.0
	Capital Certified Development	\$218.1	California Statewide Certified	\$61.3
	Small Business Growth Corporat	\$193.7	WBD, Inc.	\$48.8
	WBD, Inc.	\$179.3	Small Business Growth Corporat	\$41.6
	Total	\$6,664.9	Total	\$1,738.1
Banks/	BANK OF AMERICA, NATIONAL ASSOCIATION	\$334.9	CELTIC BANK CORPORATION	\$104.0
TPLs	FIRST-CITIZENS BANK & TRUST COMPANY	\$279.9	BANK OF AMERICA, NATIONAL ASSOCIATION	\$76.1
1st liens	CELTIC BANK CORPORATION	\$253.3	FIRST-CITIZENS BANK & TRUST COMPANY	\$71.4
	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$251.1	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$68.6
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$189.7	(blank)	\$51.8
	BANK FIVE NINE	\$188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$43.5
	HARVEST COMMERCIAL CAPITAL, LLC	\$145.9	HARVEST COMMERCIAL CAPITAL, LLC	\$42.8
	FIRST BANK OF THE LAKE	\$138.2	BANK FIVE NINE	\$35.3
	LIVE OAK BANKING COMPANY	\$137.0	CADENCE BANK	\$28.9
	CALPRIVATE BANK	\$116.9	NEWTEK BANK, NATIONAL ASSOCIATION	\$27.4
	Total	\$9,236.2	Total	\$2,377.7

Top States for SBA 504 Loan Approvals				
	FY2024 (Through Sep. 30, 2024)		FY2025 (Through Dec. 31, 2024)	
CA	\$1,513,346,000	CA	\$378,559,000	
FL	719,626,000	FL	196,476,000	
TX	491,267,000	TX	144,902,000	
IL	289,962,000	UT	85,642,000	
GA	275,557,000	AZ	72,033,000	
NY	237,791,000	IL	69,816,000	

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)	4.37%	4.37%	0.00%	4.46%	5.52%	0.20%
3m US T-Bill (BEY)	4.34%	4.34%	0.00%	4.38%	5.48%	0.40%
6m US T-Bill (BEY)	4.29%	4.32%	-0.03%	4.30%	5.38%	0.81%
1y US T-Bill	4.11%	4.23%	-0.12%	4.25%	5.05%	1.30%
2y US T-Note	4.06%	4.26%	-0.20%	4.25%	4.72%	1.94%
3y US T-Note	4.03%	4.26%	-0.23%	4.22%	4.51%	2.14%
5y US T-Note	4.11%	4.33%	-0.22%	4.26%	4.33%	2.17%
10y US T-Note	4.31%	4.47%	-0.16%	4.40%	4.31%	2.20%
20y US T-Bond	4.64%	4.75%	-0.11%	4.68%	4.55%	2.60%
30y US T-Bond	4.60%	4.69%	-0.09%	4.59%	4.43%	2.50%
Federal Funds	4.33%	4.33%	0.00%	4.58%	5.33%	0.08%
Fed Discount Rate	4.50%	4.50%	0.00%	4.75%	5.50%	0.25%
Prime Rate	7.50%	7.50%	0.00%	7.75%	8.50%	3.25%
TED Spread	0.12%	0.07%	0.06%	0.11%	0.11%	0.09%
Swap Rates						
2 Year Swap	4.30%	4.54%	-0.25%	4.51%	5.05%	2.25%
5 Year Swap	4.23%	4.50%	-0.27%	4.38%	4.53%	2.36%
10 Year Swap	4.31%	4.56%	-0.25%	4.36%	4.38%	2.41%
SBA 504 2nd Lien Loan Rates						
10 Yr	6.34%	6.64%	-0.30%	6.46%	6.59%	3.81%
20 Yr	6.31%	6.35%	-0.04%	6.16%	6.36%	3.76%
25 Yr	6.24%	6.28%	-0.04%	6.09%	6.28%	3.93%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	6.07%	6.40%	-0.33%	6.06%	6.37%	3.20%
10 Yr Variable	6.56%	6.78%	-0.22%	6.84%	7.11%	3.39%
Depository Rates						
1 Mon. CD - Non Jumbo	0.22%	0.23%	-0.01%	0.23%	0.23%	0.03%
3 Mon. CD - Non Jumbo	1.45%	1.47%	-0.02%	1.52%	1.69%	0.06%
6 Mon. CD - Non Jumbo	1.63%	1.64%	-0.01%	1.68%	1.53%	0.09%
1 Yr CD - Non Jumbo	1.80%	1.82%	-0.02%	1.84%	1.83%	0.14%
2 Yr CD - Non Jumbo	1.45%	1.45%	0.00%	1.52%	1.54%	0.18%
3 Yr CD - Non Jumbo	1.31%	1.32%	-0.01%	1.35%	1.40%	0.21%
Savings	0.41%	0.41%	0.00%	0.43%	0.46%	0.06%
Checking	0.07%	0.07%	0.00%	0.08%	0.07%	0.03%
Money Market - Non Jumbo	0.64%	0.64%	0.00%	0.60%	0.66%	0.08%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	4.30%	4.33%	-0.03%	4.60%	5.31%	0.05%
CME Term SOFR 1M	4.32%	4.31%	0.01%	4.38%	5.33%	0.30%
CME Term SOFR 3M	4.30%	4.32%	-0.02%	4.35%	5.33%	0.48%
CME Term SOFR 6M	4.20%	4.32%	-0.11%	4.26%	5.25%	0.78%
FHLB Fixed Advances (30 day, < \$15m)	4.50%	4.55%	-0.05%	4.55%	5.51%	0.49%

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