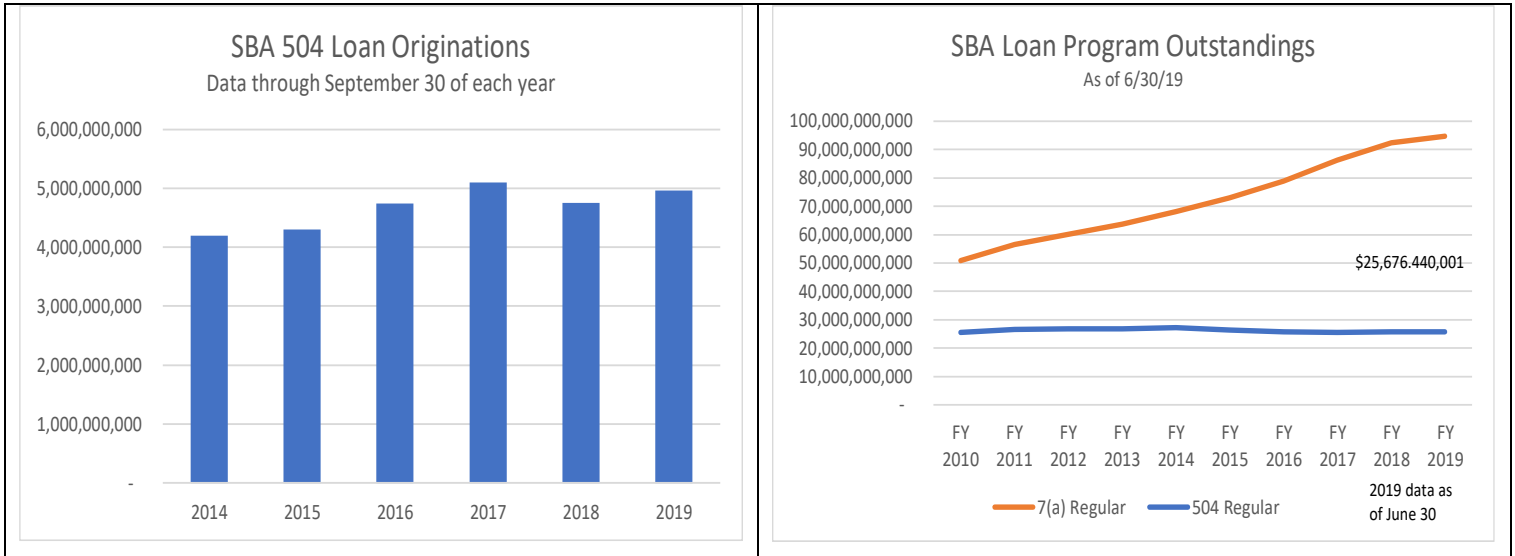
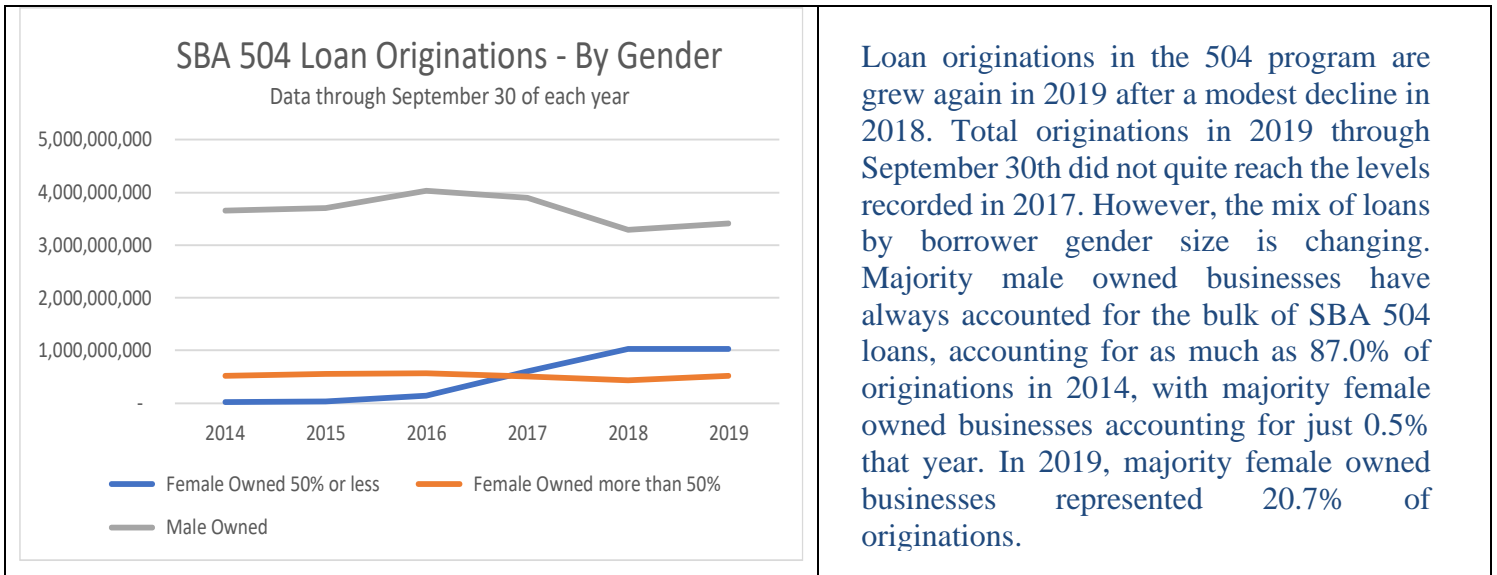


Through September 30, 2019, which is the end of the fiscal year for the program, SBA 504 loan originations were up 4.3% compared to the prior year, reaching \$4.96 billion year-to-date in 2019 versus \$4.75 billion during the same period in 2018. This reflects a deceleration in originations over the past month, as originations were up 4.7% year-to-date a month ago. The unpaid principal balance of outstanding 504 loans stood at \$25.68 billion as of June 30, 2019, down 0.6% compared to the \$25.83 billion figure at year-end 2018. In contrast, SBA 7(a) loan originations are down 8.7% year-to-date (through September 30) to \$23.18 billion and the unpaid principal balance of 7(a) loans is \$94.60 billion at June 30, 2019, up 2.4% compared to year-end 2018.



While 7(a) loans continue to grow at solid pace (7.2% in 2018), 504 loans have remained in a fairly tight range between \$25 billion and \$27 billion over the last nine years. Of course, the chart above includes only the CDC/SBA second lien portion of a 504 loan package, which typically amounts to roughly 40% of the financing. The first lien loan, usually supplied by a bank or other private sector lender, typically provides another 50% of the project funding.



Loan originations in the 504 program are growing again in 2019 after a modest decline in 2018. Total originations in 2019 through September 30th did not quite reach the levels recorded in 2017. However, the mix of loans by borrower gender size is changing. Majority male owned businesses have always accounted for the bulk of SBA 504 loans, accounting for as much as 87.0% of originations in 2014, with majority female owned businesses accounting for just 0.5% that year. In 2019, majority female owned businesses represented 20.7% of originations.

News Blurb of the Week – SBA Small Business Lending Reflects Strong Economic Trends, Small Business Administration

October 10, 2019 – WASHINGTON – The U.S. Small Business Administration announced FY19 lending numbers showing that it guaranteed over \$28 billion to entrepreneurs that otherwise would not have access to capital to start, grow, or expand their small businesses.

<https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-small-business-lending-reflects-strong-economic-trends>

Top SBA 504 Lenders

	2018	2019 June YTD
CDCs	CDC Small Business Finance Corporation	Mortgage Capital Development Corporation
2nd Liens	Mortgage Capital Development Corporation	CDC Small Business Finance Corporation
	Empire State Certified Development Corporation	Florida First Capital Finance Corporation, Inc.
	Florida First Capital Finance Corporation, Inc.	Empire State Certified Development Corporation
	Florida Business Development Corporation	Business Finance Capital
	Mountain West Small Business Finance	Florida Business Development Corporation
	Business Finance Capital	California Statewide Certified Development Corporation
	California Statewide Certified Development Corporation	Mountain West Small Business Finance
	Small Business Growth Corporation	Small Business Growth Corporation
	WBD, Inc.	WBD, Inc.
Banks	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
1st Liens	WELLS FARGO BANK, NATIONAL ASSOCIATION	WELLS FARGO BANK, NATIONAL ASSOCIATION
	BANK OF THE WEST	BANK OF THE WEST
	ZIONS BANK, A DIVISION OF	ZIONS BANK, A DIVISION OF
	BANK OF AMERICA, NATIONAL ASSOCIATION	BANK OF AMERICA, NATIONAL ASSOCIATION
	ONEWEST BANK, A DIVISION OF	ONEWEST BANK, A DIVISION OF
	CITY NATIONAL BANK	CITY NATIONAL BANK
	TD BANK, NATIONAL ASSOCIATION	TD BANK, NATIONAL ASSOCIATION
	POPPY BANK	CALPRIVATE BANK
	FIRST BANK FINANCIAL CENTRE	POPPY BANK

Top States for SBA 504 Loan Approvals

	2018		2019 June YTD
CA	\$1,210,462,000	CA	\$869,228,000
FL	364,443,000	FL	306,777,000
TX	261,656,000	TX	187,350,000
NY	200,095,000	IL	148,824,000
IL	199,955,000	MN	142,136,000
UT	179,644,000	UT	133,148,000
MA	174,681,000	MA	119,139,000
MN	166,200,000	CO	118,866,000
CO	152,154,000	NY	106,311,000
GA	130,920,000	WA	104,077,000

Source: SBA

About Us

Bluestone Capital Partners LLC is an SEC-registered investment adviser that provides investment management services to the Bluestone Community Development Fund (BLUCX) 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)	1.69%	2.04%	-0.35%	2.22%	2.17%	0.26%
3m US T-Bill (BEY)	1.69%	1.96%	-0.27%	2.26%	2.25%	0.33%
6m US T-Bill (BEY)	1.69%	1.87%	-0.18%	2.15%	2.46%	0.46%
1y US T-Bill	1.59%	1.74%	-0.15%	2.00%	2.65%	0.66%
2y US T-Note	1.47%	1.58%	-0.11%	1.92%	2.88%	0.83%
3y US T-Note	1.43%	1.52%	-0.09%	1.88%	2.98%	0.99%
5y US T-Note	1.40%	1.49%	-0.09%	1.88%	3.05%	1.26%
10y US T-Note	1.59%	1.63%	-0.04%	2.07%	3.21%	1.73%
20y US T-Bond	1.88%	1.91%	-0.03%	2.34%	3.30%	2.14%
30y US T-Bond	2.08%	2.11%	-0.03%	2.54%	3.37%	2.46%
Federal Funds	1.82%	2.12%	-0.30%	2.41%	2.19%	0.40%
Prime Rate	5.00%	5.25%	-0.25%	5.50%	5.25%	3.50%
Swap Rates						
2 Year LIBOR Swap	1.54%	1.64%	-0.10%		3.02%	1.09%
5 Year LIBOR Swap	1.44%	1.49%	-0.05%		3.12%	1.30%
10 Year LIBOR Swap	1.55%	1.58%	-0.03%		3.20%	1.59%
SBA 504 2nd Lien Loan Rates						
10 Yr	3.55%	3.55%	0.00%	3.92%		
20 Yr	3.40%	3.36%	0.04%	3.91%	5.15%	3.99%
25 Yr	3.48%	3.46%	0.02%	4.01%	5.21%	
Depository Rates						
1 Mon. CD - Non Jumbo	0.11%	0.12%	-0.01%	0.13%	0.10%	0.06%
3 Mon. CD - Non Jumbo	0.20%	0.20%	0.00%	0.21%	0.17%	0.08%
6 Mon. CD - Non Jumbo	0.36%	0.38%	-0.02%	0.40%	0.27%	0.13%
1 Yr CD - Non Jumbo	0.52%	0.54%	-0.02%	0.59%	0.47%	0.22%
2 Yr CD - Non Jumbo	0.67%	0.71%	-0.04%	0.78%	0.67%	0.36%
3 Yr CD - Non Jumbo	0.80%	0.83%	-0.03%	0.91%	0.81%	0.49%
1 Mon. CD - Jumbo	0.14%	0.15%	-0.01%	0.16%	0.12%	0.07%
3 Mon. CD - Jumbo	0.23%	0.24%	-0.01%	0.25%	0.19%	0.09%
6 Mon. CD - Jumbo	0.41%	0.43%	-0.02%	0.46%	0.31%	0.14%
1 Yr CD - Jumbo	0.59%	0.61%	-0.02%	0.67%	0.52%	0.23%
2 Yr CD - Jumbo	0.73%	0.76%	-0.03%	0.84%	0.72%	0.39%
3 Yr CD - Jumbo	0.85%	0.88%	-0.03%	0.96%	0.87%	0.52%
Savings	0.09%	0.09%	0.00%	0.10%	0.09%	0.06%
Checking	0.06%	0.06%	0.00%	0.06%	0.06%	0.04%
Money Market - Non Jumbo	0.17%	0.19%	-0.02%	0.18%	0.15%	0.08%
Money Market - Jumbo	0.27%	0.30%	-0.03%	0.28%	0.23%	0.12%
Regulatory Rates						
Secured Overnight Financing Rate (SOFR)	1.85%	2.12%	-0.27%	2.45%	2.15%	
Broad General Collateral Rate (BGCR)	1.82%	2.11%	-0.29%	2.45%	2.14%	
Tri-Party General Collateral Rate (TGCR)	1.82%	2.11%	-0.29%	2.45%	2.14%	
FHLB Fixed Advances (30 day, < \$15m)	1.95%	2.24%	-0.29%	2.44%	2.44%	0.62%

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