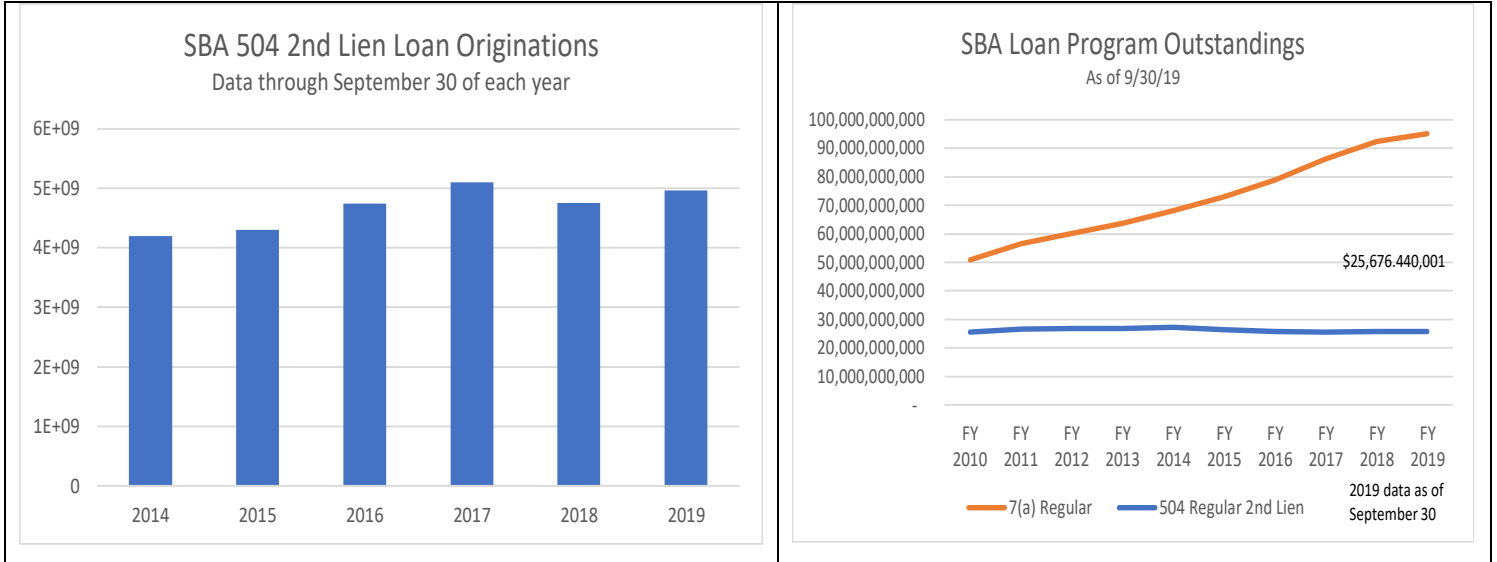
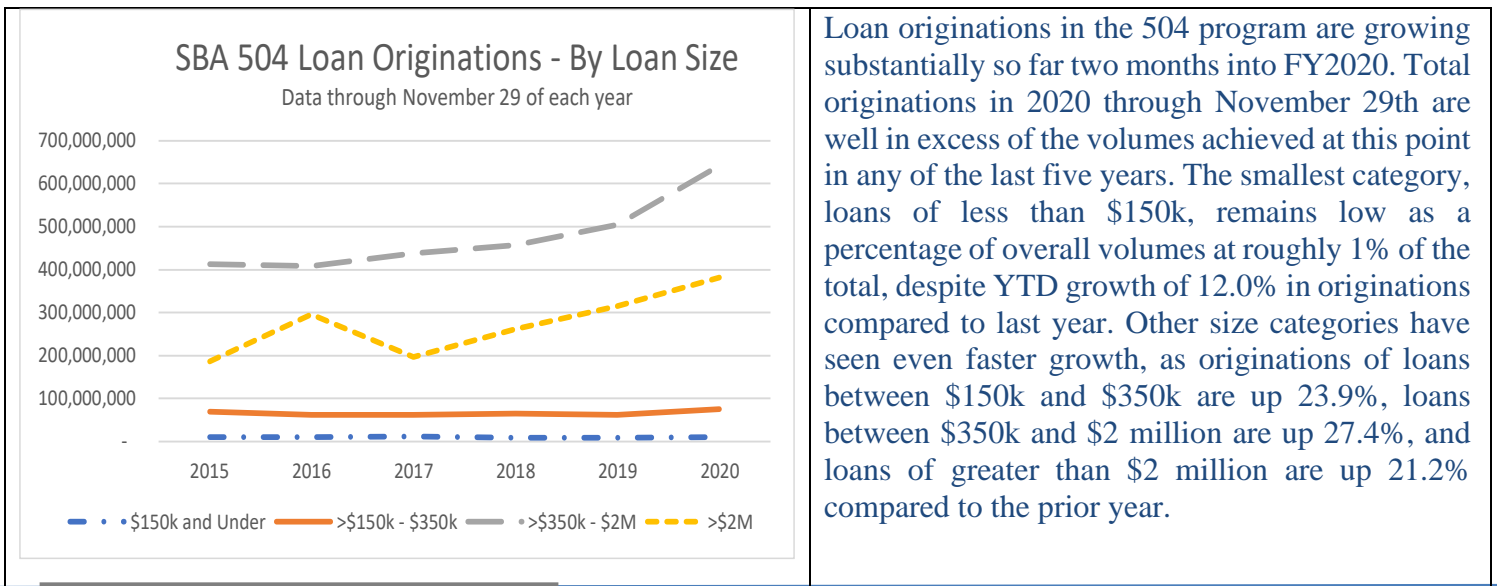


SBA 504 loan originations remained strong into the second month of the 2020 fiscal year. Through November 29, 2019, SBA 504 loan originations were up 24.8% compared to the prior year, reaching \$1.11 billion year-to-date in FY2020 versus \$888.3 million during the same period in FY2019. The unpaid principal balance of outstanding 504 loans stood at \$25.77 billion as of September 30, 2019, down 0.2% compared to the \$25.83 billion figure at year-end FY2018. In contrast, SBA 7(a) loan originations are up a healthy 6.5% year-to-date (through November 29) to \$3.64 billion and the unpaid principal balance of 7(a) loans is \$95.10 billion at September 30, 2019, up 2.9% compared to year-end FY2018.



While 7(a) loans continue to grow at solid pace (2.9% in FY2019 and 7.2% in FY2018), 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 substantially so far two months into FY2020. Total originations in 2020 through November 29th are well in excess of the volumes achieved at this point in any of the last five years. The smallest category, loans of less than \$150k, remains low as a percentage of overall volumes at roughly 1% of the total, despite YTD growth of 12.0% in originations compared to last year. Other size categories have seen even faster growth, as originations of loans between \$150k and \$350k are up 23.9%, loans between \$350k and \$2 million are up 27.4%, and loans of greater than \$2 million are up 21.2% compared to the prior year.

**News Blurb of the Week – Statement of Joseph M. Otting, Comptroller of the Currency before the Committee on Financial Services United States House of Representatives, December 4, 2019**

**December 4, 2019** – Modernization of the Community Reinvestment Act: I, and the dedicated staff at the OCC, continue to work toward the goal of releasing a proposed rule by the end of the year and are working with our colleagues at the FDIC to issue it jointly.

<https://www.occ.treas.gov/news-issuances/congressional-testimony/2019/ct-occ-2019-143-written.pdf>

<b>Top SBA 504 Lenders</b>				
	<b>2018</b>		<b>2019 September YTD</b>	
<b>CDCs</b>	CDC Small Business Finance Corporation		Mortgage Capital Development Corporation	
<b>2nd Liens</b>	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		WBD, Inc.	
	WBD, Inc.		Small Business Growth Corporation	
<b>Banks</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	
<b>1st Liens</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION		WELLS FARGO BANK, NATIONAL ASSOCIATION	
	BANK OF THE WEST		ZIONS BANK, A DIVISION OF	
	ZIONS BANK, A DIVISION OF		BANK OF THE WEST	
	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		POPPY BANK	
	FIRST BANK FINANCIAL CENTRE		REGIONS BANK	
<b>Top States for SBA 504 Loan Approvals</b>				
	<b>2018</b>		<b>2019 September YTD</b>	
CA		1,212,374,000	CA	1,207,147,000
FL		365,590,000	FL	411,734,000
TX		262,785,000	TX	254,856,000
IL		201,568,000	IL	207,440,000
NY		200,233,000	MN	190,845,000
UT		180,573,000	UT	183,048,000
MA		175,067,000	NY	160,472,000
MN		167,541,000	MA	155,831,000
CO		152,943,000	GA	149,781,000
GA		131,926,000	WA	147,113,000
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**

<b>Asset Yields</b>	<b>Current</b>	<b>1-month ago</b>	<b>1 month change</b>	<b>3-months ago</b>	<b>1-year ago</b>	<b>3-years ago</b>
1m US T-Bill (BEY)	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
3m US T-Bill (BEY)	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
6m US T-Bill (BEY)	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
1y US T-Bill	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
2y US T-Note	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
3y US T-Note	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
5y US T-Note	<b>1.54%</b>	1.56%	-0.13%	2.04%	2.32%	0.41%
10y US T-Note	<b>1.83%</b>	1.94%	-0.13%	1.63%	2.85%	2.47%
20y US T-Bond	<b>1.83%</b>	1.94%	-0.13%	1.63%	2.85%	2.47%
30y US T-Bond	<b>1.83%</b>	1.94%	-0.13%	1.63%	2.85%	2.47%
Federal Funds	<b>1.55%</b>	1.55%	-0.26%	2.12%	2.20%	0.41%
Prime Rate	<b>4.75%</b>	4.75%	-0.25%	5.25%	5.25%	3.50%
<b>Swap Rates</b>						
2 Year LIBOR Swap	<b>1.71%</b>	1.47%	0.24%	1.61%	3.15%	0.96%
5 Year LIBOR Swap	<b>1.71%</b>	1.36%	0.35%	1.48%	3.21%	1.18%
10 Year LIBOR Swap	<b>1.84%</b>	1.45%	0.39%	1.60%	3.28%	1.58%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	<b>3.85%</b>	3.85%	0.30%	3.55%		
20 Yr	<b>3.58%</b>	3.68%	0.28%	3.36%	4.92%	4.59%
25 Yr	<b>3.64%</b>	3.74%	0.26%	3.46%	4.99%	
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	<b>0.11%</b>	0.11%	0.00%	0.12%	0.11%	0.06%
3 Mon. CD - Non Jumbo	<b>0.20%</b>	0.20%	0.00%	0.20%	0.19%	0.08%
6 Mon. CD - Non Jumbo	<b>0.35%</b>	0.34%	-0.01%	0.38%	0.33%	0.13%
1 Yr CD - Non Jumbo	<b>0.51%</b>	0.50%	-0.01%	0.54%	0.59%	0.22%
2 Yr CD - Non Jumbo	<b>0.66%</b>	0.65%	-0.01%	0.71%	0.79%	0.36%
3 Yr CD - Non Jumbo	<b>0.78%</b>	0.77%	-0.02%	0.83%	0.93%	0.49%
1 Mon. CD - Jumbo	<b>0.14%</b>	0.13%	0.00%	0.15%	0.13%	0.07%
3 Mon. CD - Jumbo	<b>0.23%</b>	0.23%	0.00%	0.24%	0.22%	0.10%
6 Mon. CD - Jumbo	<b>0.40%</b>	0.40%	-0.01%	0.43%	0.37%	0.14%
1 Yr CD - Jumbo	<b>0.57%</b>	0.56%	-0.02%	0.61%	0.65%	0.24%
2 Yr CD - Jumbo	<b>0.71%</b>	0.70%	-0.02%	0.76%	0.86%	0.39%
3 Yr CD - Jumbo	<b>0.83%</b>	0.82%	-0.02%	0.88%	1.00%	0.53%
Savings	<b>0.09%</b>	0.09%	0.00%	0.09%	0.09%	0.06%
Checking	<b>0.06%</b>	0.05%	0.00%	0.06%	0.06%	0.04%
Money Market - Non Jumbo	<b>0.16%</b>	0.15%	-0.01%	0.19%	0.16%	0.08%
Money Market - Jumbo	<b>0.27%</b>	0.26%	0.00%	0.30%	0.25%	0.11%
<b>Regulatory Rates</b>						
Secured Overnight Financing Rate (SOFR)	<b>1.56%</b>	1.56%	-0.27%	2.12%	2.22%	
Broad General Collateral Rate (BGCR)	<b>1.53%</b>	1.53%	-0.27%	2.11%	2.20%	
Tri-Party General Collateral Rate (TGCR)	<b>1.53%</b>	1.53%	-0.27%	2.11%	2.20%	
FHLB Fixed Advances (30 day, < \$15m)	<b>1.81%</b>	1.77%	-0.20%	2.24%	2.63%	0.76%

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