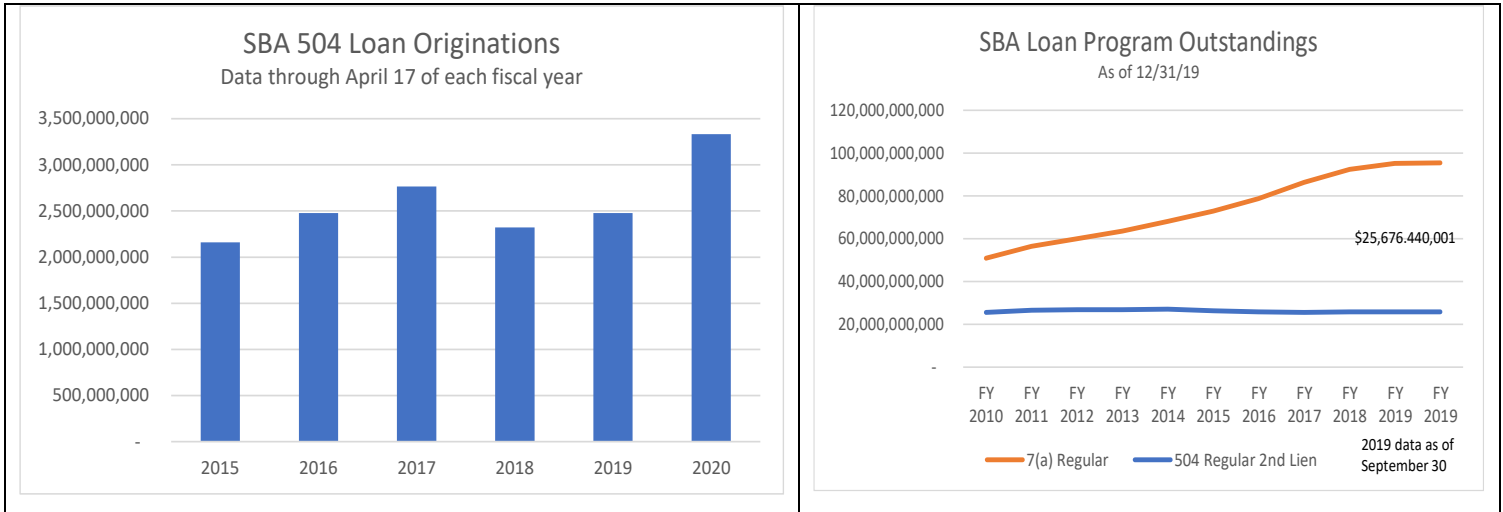
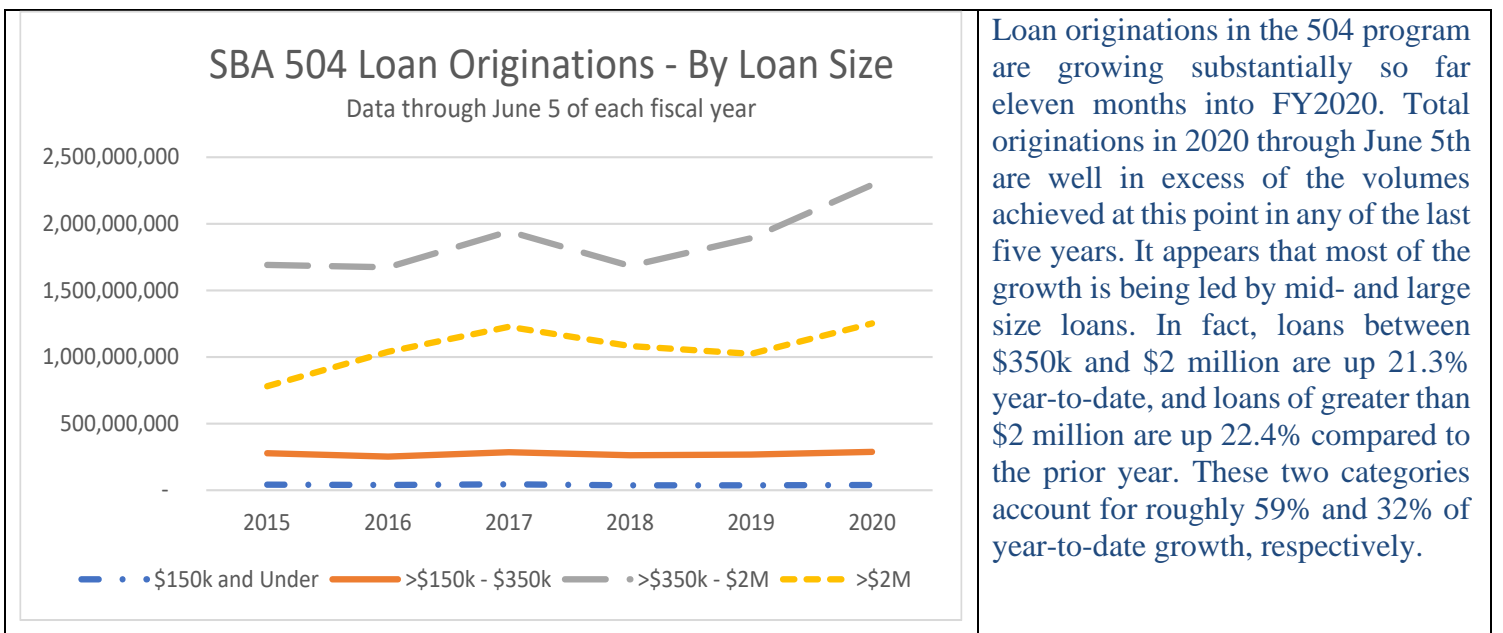


We're still awaiting updates to SBA Loan Program Outstandings through March. As expected however, SBA 504 loan origination growth slowed down considerably since our report last month, due at least partly to the significant efforts expended for the PPP and EIDL programs. Through June 5, 2020, SBA 504 loan originations were up 20.4% compared to the prior year, reaching \$3.87 billion year-to-date in FY2020 versus \$3.22 billion during the same period in FY2019. Through April 17, 2020, SBA 504 loan originations were up 34.5% compared to the prior year. Despite the slowdown, 504 loan originations are still growing, whereas SBA 7(a) loan originations are down 8.2% through June 5, 2020 compared to the same period in 2019.



While 7(a) loan outstandings 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 published 504 loan figures in 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. If the first lien loan and borrower investment were included, the 504 loan totals would be closer to 7(a) loan totals.



Loan originations in the 504 program are growing substantially so far eleven months into FY2020. Total originations in 2020 through June 5th are well in excess of the volumes achieved at this point in any of the last five years. It appears that most of the growth is being led by mid- and large size loans. In fact, loans between \$350k and \$2 million are up 21.3% year-to-date, and loans of greater than \$2 million are up 22.4% compared to the prior year. These two categories account for roughly 59% and 32% of year-to-date growth, respectively.

News Blurb of the Week — Bank Regulator's Battle With Anti-Redlining Law Comes to an End, Emily Flitter and Jeanna Smialek, New York Times

May 28, 2020 – Joseph Otting, the top overseer of the country's largest banks, drew from his own experiences as a banker to rewrite rules for the Community Reinvestment Act. Not everyone is on board. <https://www.nytimes.com/2020/05/28/business/economy/community-reinvestment-act-joseph-otting.html>

Though the SBA continues to offer loans to businesses through its 7(a) and 504 loan programs, as well as other loan programs, the focus at the agency, legislators, and the general public has been on the programs that are geared toward alleviating some of the pain caused by the COVID-19 pandemic and the associated shutdown of many non-essential businesses. The primary programs being used to offset the economic impact of the pandemic are the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program.

Paycheck Protection Program Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

The SBA will forgive loans if loan proceeds are used for payroll, rent, mortgage interest, or utilities over the 24-weeks after loan disbursement, with 60% going to payroll .

Economic Injury Disaster Loan and Advance

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories were able to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This loan advance will not have to be repaid. **SBA will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to U.S. agricultural businesses.**

The new eligibility is made possible as a result of the latest round of funds appropriated by Congress in response to the COVID-19 pandemic.

- Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).
- SBA is encouraging all eligible agricultural businesses with 500 or fewer employees wishing to apply to begin preparing their business financial information needed for their application.

At this time, only agricultural business applications will be accepted due to limitations in funding availability and the unprecedented submission of applications already received.

About Us

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| State | PPP oans Through 6/6/2020 | |
|-----------------|---------------------------|------------------|
| | Approved | |
| | Loans | Approved Dollars |
| AK | 10,265 | 1,213,169,665 |
| AL | 61,576 | 6,122,930,463 |
| AR | 40,920 | 3,284,322,657 |
| AS | 137 | 6,844,280 |
| AZ | 75,347 | 8,467,160,762 |
| CA | 530,695 | 66,615,126,522 |
| CO | 99,155 | 10,232,212,836 |
| CT | 56,704 | 6,589,734,939 |
| DC | 11,421 | 2,105,618,797 |
| DE | 11,710 | 1,458,546,863 |
| FL | 350,734 | 30,667,101,542 |
| GA | 139,215 | 14,008,161,761 |
| GU | 1,999 | 193,937,236 |
| HI | 23,651 | 2,468,570,791 |
| IA | 55,461 | 5,015,642,315 |
| ID | 28,879 | 2,546,411,161 |
| IL | 186,337 | 22,040,194,873 |
| IN | 74,758 | 9,368,437,645 |
| KS | 49,784 | 4,938,120,040 |
| KY | 46,230 | 5,200,639,495 |
| LA | 68,533 | 7,233,685,896 |
| MA | 106,575 | 14,133,149,541 |
| MD | 74,612 | 9,840,088,049 |
| ME | 25,888 | 2,208,131,303 |
| MI | 114,361 | 15,703,755,609 |
| MN | 92,906 | 11,049,841,947 |
| MO | 87,212 | 9,035,766,437 |
| MP | 392 | 36,489,968 |
| MS | 42,965 | 3,135,993,655 |
| MT | 22,282 | 1,745,215,743 |
| NC | 113,745 | 12,216,598,376 |
| ND | 19,058 | 1,750,984,732 |
| NE | 40,711 | 3,395,896,779 |
| NH | 22,600 | 2,518,079,300 |
| NJ | 135,203 | 16,864,786,923 |
| NM | 20,830 | 2,204,842,129 |
| NV | 38,723 | 4,047,046,515 |
| NY | 294,689 | 37,454,686,860 |
| OH | 131,887 | 18,117,969,886 |
| OK | 61,975 | 5,419,286,214 |
| OR | 58,209 | 6,801,406,424 |
| PA | 157,491 | 20,478,156,228 |
| PR | 32,603 | 1,731,820,601 |
| RI | 16,236 | 1,855,216,024 |
| SC | 59,492 | 5,638,849,569 |
| SD | 21,363 | 1,644,273,024 |
| TN | 86,647 | 8,771,375,365 |
| TX | 361,765 | 40,295,186,026 |
| UT | 48,572 | 5,204,939,285 |
| VA | 101,980 | 12,396,319,330 |
| VI | 1,469 | 116,705,288 |
| VT | 11,287 | 1,170,593,707 |
| WA | 93,880 | 12,058,958,915 |
| WI | 81,232 | 9,765,105,528 |
| WV | 16,529 | 1,775,137,873 |
| WY | 12,830 | 1,016,538,929 |
| To be confirmed | 173 | 6,409,358 |
| Totals | 4,531,883 | 511,382,171,979 |

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| State | EIDL Loans as of 6/5/20 | |
|-----------------|-------------------------|------------------|
| | Total EIDL | |
| | Approved Loans | Approved Dollars |
| AK | 3,299 | 219,121,100 |
| AL | 12,692 | 808,588,077 |
| AR | 6,936 | 443,272,600 |
| AZ | 21,136 | 1,461,571,350 |
| CA | 196,365 | 15,153,593,578 |
| CO | 21,649 | 1,550,093,399 |
| CT | 12,985 | 1,011,909,100 |
| DE | 2,896 | 213,015,000 |
| FL | 109,847 | 6,910,745,810 |
| GA | 43,443 | 2,815,925,989 |
| HI | 7,681 | 482,487,700 |
| IA | 6,174 | 450,142,900 |
| ID | 5,000 | 322,313,100 |
| IL | 36,188 | 2,610,539,750 |
| IN | 12,129 | 863,987,200 |
| KS | 7,363 | 513,328,700 |
| KY | 8,351 | 535,524,400 |
| LA | 21,309 | 1,439,117,800 |
| MA | 21,301 | 1,587,827,200 |
| MD | 18,306 | 1,341,320,200 |
| ME | 4,379 | 305,162,000 |
| MI | 25,815 | 1,826,640,772 |
| MN | 14,626 | 1,080,852,148 |
| MO | 13,391 | 891,678,500 |
| MS | 8,122 | 484,966,400 |
| MT | 4,135 | 260,624,300 |
| NC | 28,186 | 1,868,908,400 |
| ND | 2,243 | 168,509,900 |
| NE | 5,181 | 371,280,202 |
| NH | 4,763 | 349,617,300 |
| NJ | 37,984 | 2,856,609,339 |
| NM | 5,479 | 365,045,623 |
| NV | 13,141 | 976,218,200 |
| NY | 81,565 | 6,074,754,900 |
| OH | 25,378 | 1,719,625,800 |
| OK | 11,254 | 776,774,644 |
| OR | 16,403 | 1,085,120,480 |
| PA | 32,526 | 2,224,190,083 |
| RI | 3,724 | 256,232,200 |
| SC | 14,193 | 909,833,300 |
| SD | 3,002 | 199,867,200 |
| TN | 16,102 | 1,073,976,000 |
| TX | 95,480 | 6,740,014,009 |
| UT | 9,352 | 712,631,300 |
| VA | 24,710 | 1,795,053,170 |
| VT | 2,590 | 161,840,810 |
| WA | 26,053 | 1,941,845,900 |
| WI | 12,898 | 836,540,700 |
| WV | 2,781 | 177,940,400 |
| WY | 2,050 | 142,284,500 |
| AS | 37 | 2,851,500 |
| DC | 2,917 | 275,473,000 |
| GU | 491 | 32,384,500 |
| MP | 81 | 4,843,500 |
| PR | 4,115 | 262,373,400 |
| VI | 534 | 36,739,300 |
| To be confirmed | - | - |
| Totals | 1,130,731 | 79,983,728,633 |

About Us

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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) | 0.13% | 0.10% | 0.03% | 0.57% | 2.30% | 0.80% |
| 3m US T-Bill (BEY) | 0.17% | 0.12% | 0.05% | 0.44% | 2.29% | 1.01% |
| 6m US T-Bill (BEY) | 0.19% | 0.15% | 0.04% | 0.43% | 2.21% | 1.13% |
| 1y US T-Bill | 0.18% | 0.15% | 0.03% | 0.43% | 2.03% | 1.20% |
| 2y US T-Note | 0.17% | 0.16% | 0.01% | 0.50% | 1.90% | 1.35% |
| 3y US T-Note | 0.22% | 0.21% | 0.01% | 0.58% | 1.87% | 1.50% |
| 5y US T-Note | 0.33% | 0.33% | 0.00% | 0.63% | 1.91% | 1.77% |
| 10y US T-Note | 0.75% | 0.69% | 0.06% | 0.76% | 2.15% | 2.21% |
| 20y US T-Bond | 1.31% | 1.12% | 0.19% | 1.16% | 2.42% | 2.59% |
| 30y US T-Bond | 1.53% | 1.39% | 0.14% | 1.28% | 2.62% | 2.86% |
| Federal Funds | 0.07% | 0.05% | 0.02% | 1.09% | 2.37% | 0.91% |
| Fed Discount Rate | 0.25% | 0.25% | 0.00% | 1.75% | 2.50% | 1.50% |
| Prime Rate | 3.25% | 3.25% | 0.00% | 4.25% | 5.50% | 4.00% |
| TED Spread | 3.25% | 3.25% | -0.03% | 4.25% | 5.50% | 4.00% |
| Swap Rates | | | | | | |
| 2 Year LIBOR Swap | 0.28% | 0.28% | 0.00% | 0.57% | 1.98% | 1.55% |
| 5 Year LIBOR Swap | 0.44% | 0.35% | 0.09% | 0.63% | 1.94% | 1.86% |
| 10 Year LIBOR Swap | 0.68% | 0.68% | 0.00% | 0.75% | 2.12% | 2.16% |
| SBA 504 2nd Lien Loan Rates | | | | | | |
| 10 Yr | 2.64% | 2.64% | 0.00% | 2.84% | 4.35% | 4.36% |
| 20 Yr | 2.52% | 2.68% | -0.16% | 2.80% | 3.98% | 4.39% |
| 25 Yr | 2.60% | 2.76% | -0.16% | 2.88% | 4.09% | |
| Depository Rates | | | | | | |
| 1 Mon. CD - Non Jumbo | 0.06% | 0.06% | 0.00% | 0.10% | 0.12% | 0.06% |
| 3 Mon. CD - Non Jumbo | 0.10% | 0.12% | -0.02% | 0.18% | 0.21% | 0.09% |
| 6 Mon. CD - Non Jumbo | 0.17% | 0.19% | -0.02% | 0.30% | 0.41% | 0.15% |
| 1 Yr CD - Non Jumbo | 0.25% | 0.28% | -0.03% | 0.46% | 0.66% | 0.25% |
| 2 Yr CD - Non Jumbo | 0.34% | 0.37% | -0.03% | 0.59% | 0.84% | 0.40% |
| 3 Yr CD - Non Jumbo | 0.39% | 0.44% | -0.05% | 0.71% | 0.97% | 0.52% |
| 1 Mon. CD - Jumbo | 0.07% | 0.08% | -0.01% | 0.12% | 0.15% | 0.07% |
| 3 Mon. CD - Jumbo | 0.11% | 0.14% | -0.03% | 0.21% | 0.25% | 0.11% |
| 6 Mon. CD - Jumbo | 0.18% | 0.21% | -0.03% | 0.34% | 0.47% | 0.16% |
| 1 Yr CD - Jumbo | 0.27% | 0.30% | -0.03% | 0.50% | 0.73% | 0.27% |
| 2 Yr CD - Jumbo | 0.35% | 0.39% | -0.04% | 0.64% | 0.90% | 0.43% |
| 3 Yr CD - Jumbo | 0.41% | 0.46% | -0.05% | 0.76% | 1.02% | 0.56% |
| Savings | 0.06% | 0.07% | -0.01% | 0.09% | 0.10% | 0.06% |
| Checking | 0.04% | 0.04% | 0.00% | 0.06% | 0.06% | 0.04% |
| Money Market - Non Jumbo | 0.09% | 0.09% | 0.00% | 0.15% | 0.19% | 0.08% |
| Money Market - Jumbo | 0.16% | 0.18% | -0.02% | 0.27% | 0.29% | 0.12% |
| Regulatory & Interbank Rates | | | | | | |
| Secured Overnight Financing Rate (SOFR) | 0.08% | 0.06% | 0.02% | 1.09% | 2.39% | |
| FHLB Fixed Advances (30 day, < \$15m) | 0.47% | 0.44% | 0.03% | 0.90% | 2.52% | 1.27% |

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