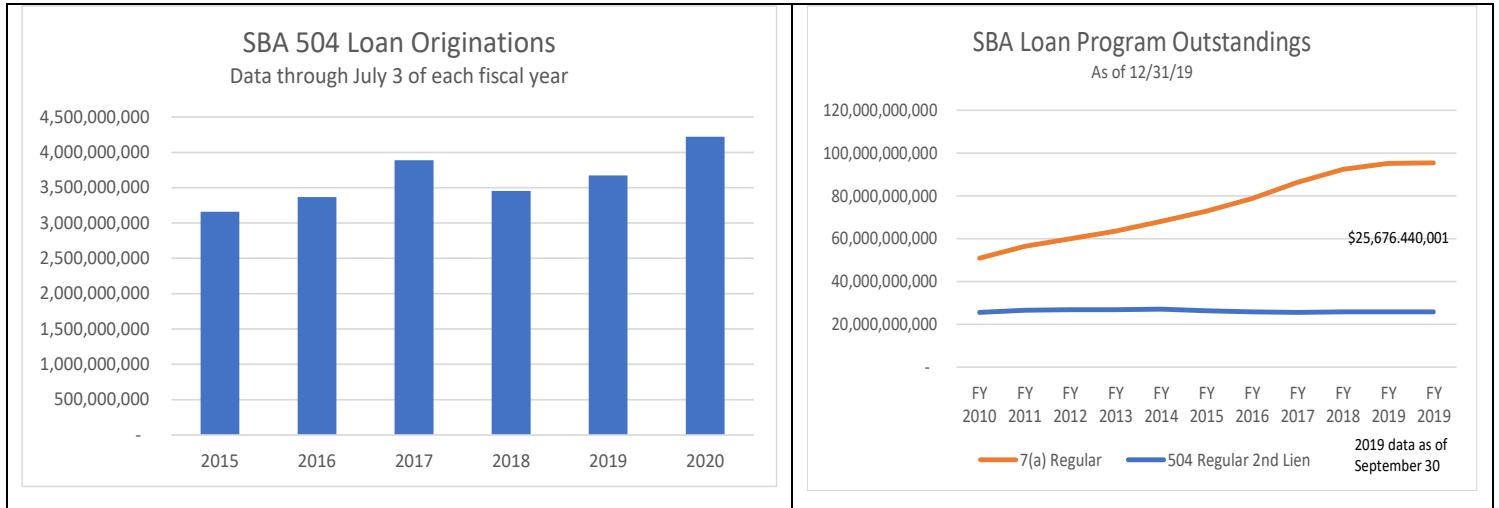
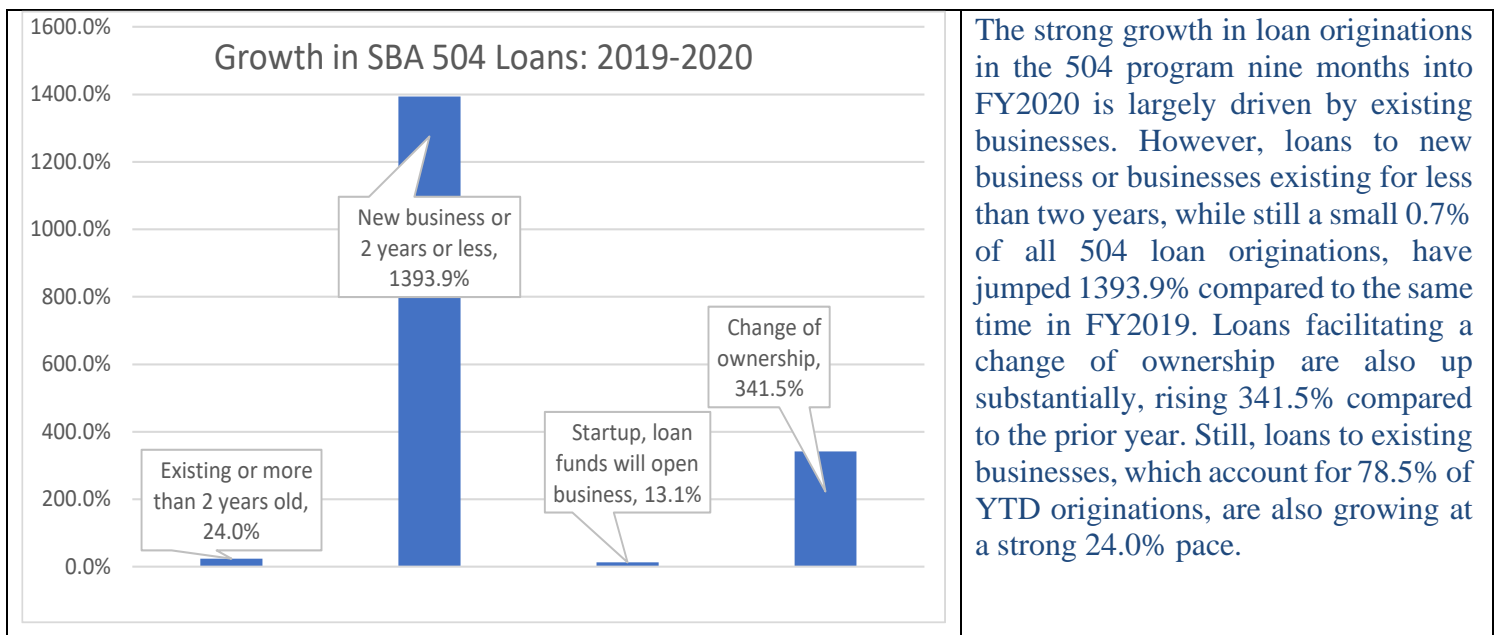


We're still awaiting updates to SBA Loan Program Outstandings through March. SBA 504 loan origination growth continued to slow, due partly to reduced economic activity and partly to the significant efforts expended for the PPP and EIDL programs. Through July 3, 2020, SBA 504 loan originations were up 14.9% compared to the prior year, reaching \$4.22 billion year-to-date in FY2020 versus \$3.67 billion during the same period in FY2019. Through June 5, 2020, SBA 504 loan originations were up 20.4% compared to the prior year. Despite the slowdown, 504 loan originations are still growing, whereas SBA 7(a) loan originations are down 12.5% through July 3, 2020 compared to the same period in 2019.



While 7(a) loan outstandings were still growing at solid pace through the end of FY2019 (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.



The strong growth in loan originations in the 504 program nine months into FY2020 is largely driven by existing businesses. However, loans to new business or businesses existing for less than two years, while still a small 0.7% of all 504 loan originations, have jumped 1393.9% compared to the same time in FY2019. Loans facilitating a change of ownership are also up substantially, rising 341.5% compared to the prior year. Still, loans to existing businesses, which account for 78.5% of YTD originations, are also growing at a strong 24.0% pace.

News Blurb of the Week — Three Takeaways from CRA Modernization, Krista Shonk, ABA Banking Journal

July 9, 2020 – The regulatory rulemaking process in Washington is known for being thoughtful and deliberative. Some would characterize it as bureaucratic and slow. After nearly two years of extensive stakeholder outreach, the OCC issued a final rule on May 20 that overhauls the agency’s regulations implementing the Community Reinvestment Act. To those outside of the Beltway, two years may seem like a leisurely pace. But it is warp speed for a regulatory revamp.

<https://bankingjournal.aba.com/2020/07/three-takeaways-from-cra-modernization%e2%80%af/>

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.

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State	PPP Loans Through 6/27/2020	
	Approved Loans	Approved Dollars
AK	10,756	1,233,644,499
AL	64,667	6,165,616,091
AR	42,000	3,299,378,272
AS	197	8,735,518
AZ	79,580	8,583,330,697
CA	569,336	67,777,200,304
CO	102,962	10,321,799,397
CT	59,876	6,663,078,501
DC	12,202	2,130,102,857
DE	12,288	1,480,680,114
FL	384,197	31,768,331,319
GA	152,382	14,365,898,579
GU	2,098	195,183,495
HI	24,349	2,492,401,915
IA	57,638	5,069,317,918
ID	29,785	2,561,865,139
IL	198,623	22,389,201,841
IN	77,872	9,457,392,872
KS	51,254	4,982,354,655
KY	47,758	5,228,592,883
LA	72,645	7,316,063,214
MA	111,152	14,268,149,853
MD	79,723	9,989,234,747
ME	26,834	2,236,890,212
MI	119,516	15,915,503,397
MN	96,572	11,167,877,245
MO	90,188	9,118,743,944
MP	461	38,791,593
MS	45,048	3,150,339,494
MT	22,834	1,756,614,546
NC	119,981	12,358,751,351
ND	19,521	1,761,535,483
NE	41,986	3,411,786,941
NH	23,496	2,541,909,616
NJ	144,523	17,099,289,297
NM	21,599	2,226,845,848
NV	41,265	4,102,106,061
NY	316,814	38,131,011,768
OH	138,286	18,307,963,442
OK	63,653	5,436,541,768
OR	61,800	6,939,279,952
PA	163,696	20,637,675,204
PR	36,417	1,784,635,577
RI	16,982	1,876,830,192
SC	62,235	5,707,223,623
SD	22,162	1,658,861,112
TN	91,717	8,880,114,257
TX	382,408	40,838,460,622
UT	50,055	5,226,458,471
VA	107,440	12,570,951,028
VI	1,724	122,469,285
VT	11,703	1,182,442,434
WA	99,213	12,231,812,230
WI	84,301	9,853,564,615
WV	17,126	1,795,668,504
WY	13,124	1,032,840,878
To be confirmed	167	6,057,463
Totals	4,798,187	518,855,402,133

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State	EIDL Loans as of 7/2/20		EIDL Advance Loans as of 7/2/20	
	Total EIDL		Total EIDL Advances	
	Approved Loans	Approved Dollars	Approved Loans	Approved Dollars
AK	5,780	358,772,700	9,878	31,051,000
AL	25,774	1,374,690,477	60,505	200,047,000
AR	13,401	734,774,819	31,142	103,758,000
AZ	39,270	2,312,317,562	82,381	273,786,000
CA	370,254	24,828,709,998	716,698	2,261,317,000
CO	39,244	2,409,328,749	81,579	248,706,000
CT	23,224	1,540,612,300	47,545	149,511,000
DE	5,656	355,514,700	12,434	42,132,000
FL	233,942	12,472,503,191	547,189	1,586,324,000
GA	93,367	4,884,880,055	225,502	766,256,000
HI	13,970	787,482,700	27,026	79,014,000
IA	11,522	750,336,750	27,553	86,215,000
ID	9,010	516,949,900	18,979	58,362,000
IL	83,716	4,671,067,629	252,595	1,192,958,000
IN	24,833	1,428,377,005	63,290	245,849,000
KS	13,152	807,096,050	29,736	92,433,000
KY	16,249	908,776,900	38,651	123,258,000
LA	40,513	2,273,821,400	86,888	285,659,000
MA	39,740	2,574,141,000	89,075	289,557,000
MD	37,153	2,264,399,000	81,354	267,569,000
ME	7,839	473,388,300	16,351	51,331,000
MI	50,915	3,083,547,472	110,184	396,754,000
MN	28,283	1,757,129,242	66,001	222,921,000
MO	26,420	1,487,323,700	64,121	210,217,000
MS	17,221	856,144,701	40,742	140,193,000
MT	7,596	430,005,200	16,592	49,477,000
NC	55,239	3,046,460,512	122,265	395,773,000
ND	4,334	287,722,800	10,220	31,451,000
NE	10,030	627,019,702	25,089	73,439,000
NH	8,250	528,187,600	16,752	56,457,000
NJ	74,405	4,912,614,744	156,700	495,935,000
NM	10,219	589,004,723	20,093	65,887,000
NV	24,587	1,528,956,480	52,242	167,347,000
NY	175,840	11,399,784,029	392,366	1,143,721,000
OH	49,506	2,832,085,720	111,129	385,698,000
OK	21,338	1,268,587,742	47,591	144,626,000
OR	28,043	1,657,808,240	54,300	173,314,000
PA	61,690	3,641,336,382	145,332	487,047,000
RI	6,733	400,357,700	14,753	46,400,000
SC	28,602	1,523,552,546	63,099	201,133,000
SD	5,531	342,101,195	13,428	38,909,000
TN	32,303	1,786,815,454	77,886	271,276,000
TX	190,853	11,436,566,228	432,549	1,496,124,000
UT	16,590	1,087,111,457	32,086	106,684,000
VA	46,776	2,867,772,966	102,424	336,664,000
VT	4,749	270,274,910	11,034	34,598,000
WA	45,347	2,972,541,353	89,071	284,946,000
WI	25,199	1,405,432,200	60,213	215,895,000
WV	5,347	303,388,300	11,681	38,336,000
WY	3,767	232,636,000	8,589	26,332,000
AS	98	6,242,600	189	1,061,000
DC	5,651	423,111,999	11,731	42,789,000
GU	1,084	64,267,600	1,421	5,944,000
MP	217	14,077,600	246	1,183,000
PR	13,664	764,712,400	16,860	61,560,000
VI	1,156	68,666,500	1,667	5,923,000
To be confirmed	-	-	-	-
Totals	2,235,192	134,631,289,182	4,946,997	16,291,107,000

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Top SBA 504 Lenders				
	FY2019		FY2020 March YTD	
CDCs	Mortgage Capital Development Corporation		Florida First Capital Finance Corporation, Inc.	
2nd Liens	CDC Small Business Finance Corporation		CDC Small Business Finance Corporation	
	Florida First Capital Finance Corporation, Inc.		Empire State Certified Development Corporation	
	Empire State Certified Development Corporation		Business Finance Capital	
	Business Finance Capital		Florida Business Development Corporation	
	Florida Business Development Corporation		Mortgage Capital Development Corporation	
	California Statewide Certified Development Corporation		WBD, Inc.	
	Mountain West Small Business Finance		California Statewide Certified Development Corporation	
	WBD, Inc.		Mountain West Small Business Finance	
	Small Business Growth Corporation		Trenton Business Assistance Corporation	
Banks	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION		WELLS FARGO BANK, NATIONAL ASSOCIATION	
	ZIONS BANK, A DIVISION OF		BANK OF AMERICA, NATIONAL ASSOCIATION	
	BANK OF THE WEST		TD BANK, NATIONAL ASSOCIATION	
	BANK OF AMERICA, NATIONAL ASSOCIATION		ONEWEST BANK, A DIVISION OF	
	ONEWEST BANK, A DIVISION OF		CITY NATIONAL BANK	
	CITY NATIONAL BANK		BANK OF THE WEST	
	TD BANK, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF	
	POPPY BANK		KEYBANK NATIONAL ASSOCIATION	
	REGIONS BANK		LIVE OAK BANKING COMPANY	
Top States for SBA 504 Loan Approvals				
	FY2019		FY2020 March YTD	
CA		1,208,085,000	CA	722,385,000
FL		412,339,000	FL	279,305,000
TX		256,522,000	TX	202,431,000
IL		207,550,000	NY	123,590,000
MN		190,950,000	NJ	111,535,000
UT		183,172,000	IL	110,053,000
NY		160,502,000	UT	99,112,000
MA		157,783,000	MA	94,891,000
GA		150,372,000	WI	90,114,000
WA		147,113,000	WA	84,805,000
Source: SBA				

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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)	0.10%	0.13%	-0.03%	0.20%	2.18%	0.95%
3m US T-Bill (BEY)	0.13%	0.17%	-0.04%	0.25%	2.20%	1.04%
6m US T-Bill (BEY)	0.15%	0.19%	-0.04%	0.24%	2.07%	1.13%
1y US T-Bill	0.15%	0.18%	-0.03%	0.25%	1.93%	1.23%
2y US T-Note	0.16%	0.17%	-0.01%	0.23%	1.82%	1.40%
3y US T-Note	0.19%	0.22%	-0.03%	0.29%	1.79%	1.59%
5y US T-Note	0.30%	0.33%	-0.03%	0.41%	1.82%	1.93%
10y US T-Note	0.65%	0.75%	-0.10%	0.73%	2.07%	2.38%
20y US T-Bond	1.12%	1.31%	-0.19%	1.15%	2.36%	2.70%
30y US T-Bond	1.33%	1.53%	-0.20%	1.35%	2.57%	2.93%
Federal Funds	0.07%	0.07%	0.00%	0.05%	2.35%	1.16%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	3.00%	1.75%
Prime Rate	3.25%	3.25%	0.00%	3.25%	5.50%	4.25%
TED Spread	0.14%	0.15%	0.00%	0.97%	0.14%	0.26%
Swap Rates						
2 Year LIBOR Swap	0.22%	0.30%	-0.08%	0.47%	1.95%	1.64%
5 Year LIBOR Swap	0.33%	0.44%	-0.11%	0.57%	1.88%	2.01%
10 Year LIBOR Swap	0.59%	0.78%	-0.19%	0.81%	2.05%	2.35%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.39%	2.64%	-0.25%	2.84%	3.92%	4.35%
20 Yr	2.34%	2.52%	-0.18%	2.96%	3.91%	4.56%
25 Yr	2.41%	2.60%	-0.19%	3.03%	4.01%	
Depository Rates						
1 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.07%	0.13%	0.06%
3 Mon. CD - Non Jumbo	0.10%	0.10%	0.00%	0.13%	0.21%	0.10%
6 Mon. CD - Non Jumbo	0.16%	0.17%	-0.01%	0.20%	0.40%	0.15%
1 Yr CD - Non Jumbo	0.24%	0.25%	-0.01%	0.30%	0.59%	0.26%
2 Yr CD - Non Jumbo	0.32%	0.34%	-0.02%	0.40%	0.78%	0.40%
3 Yr CD - Non Jumbo	0.38%	0.39%	-0.01%	0.47%	0.91%	0.53%
1 Mon. CD - Jumbo	0.06%	0.07%	-0.01%	0.08%	0.16%	0.07%
3 Mon. CD - Jumbo	0.11%	0.11%	0.00%	0.14%	0.25%	0.11%
6 Mon. CD - Jumbo	0.17%	0.18%	-0.01%	0.23%	0.46%	0.17%
1 Yr CD - Jumbo	0.25%	0.27%	-0.02%	0.33%	0.67%	0.28%
2 Yr CD - Jumbo	0.34%	0.35%	-0.01%	0.43%	0.84%	0.44%
3 Yr CD - Jumbo	0.39%	0.41%	-0.02%	0.50%	0.96%	0.56%
Savings	0.06%	0.06%	0.00%	0.07%	0.10%	0.06%
Checking	0.04%	0.04%	0.00%	0.05%	0.06%	0.04%
Money Market - Non Jumbo	0.09%	0.09%	0.00%	0.11%	0.18%	0.08%
Money Market - Jumbo	0.16%	0.16%	0.00%	0.19%	0.28%	0.12%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.10	0.07	3.00%	0.01	2.46%	
FHLB Fixed Advances (30 day, < \$15m)	0.44%	0.47%	-0.03%	0.80%	2.44%	1.33%

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