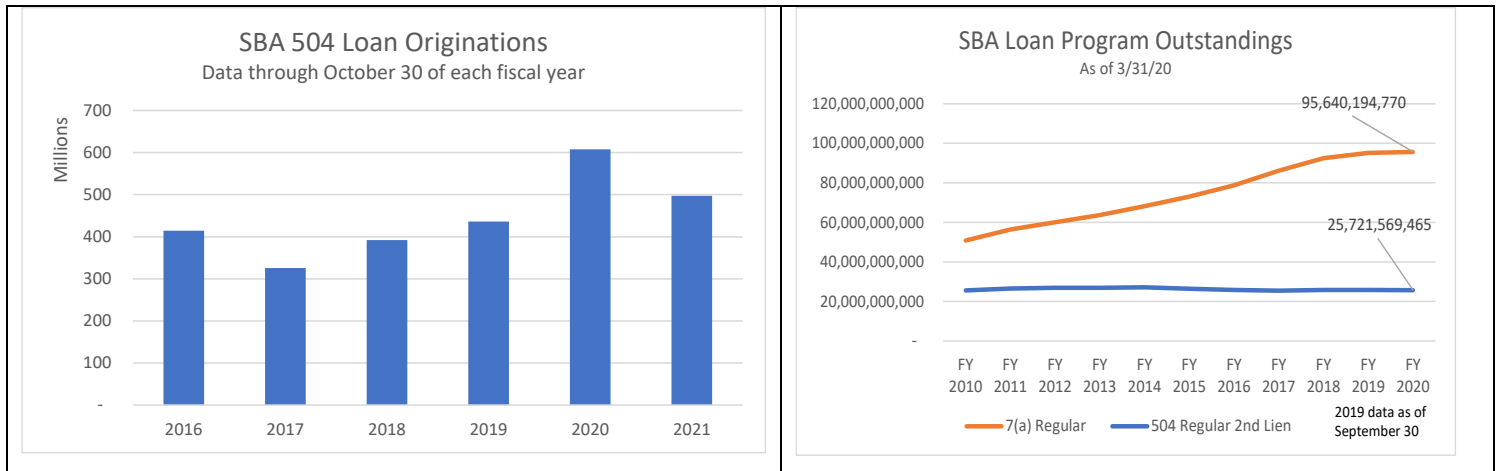
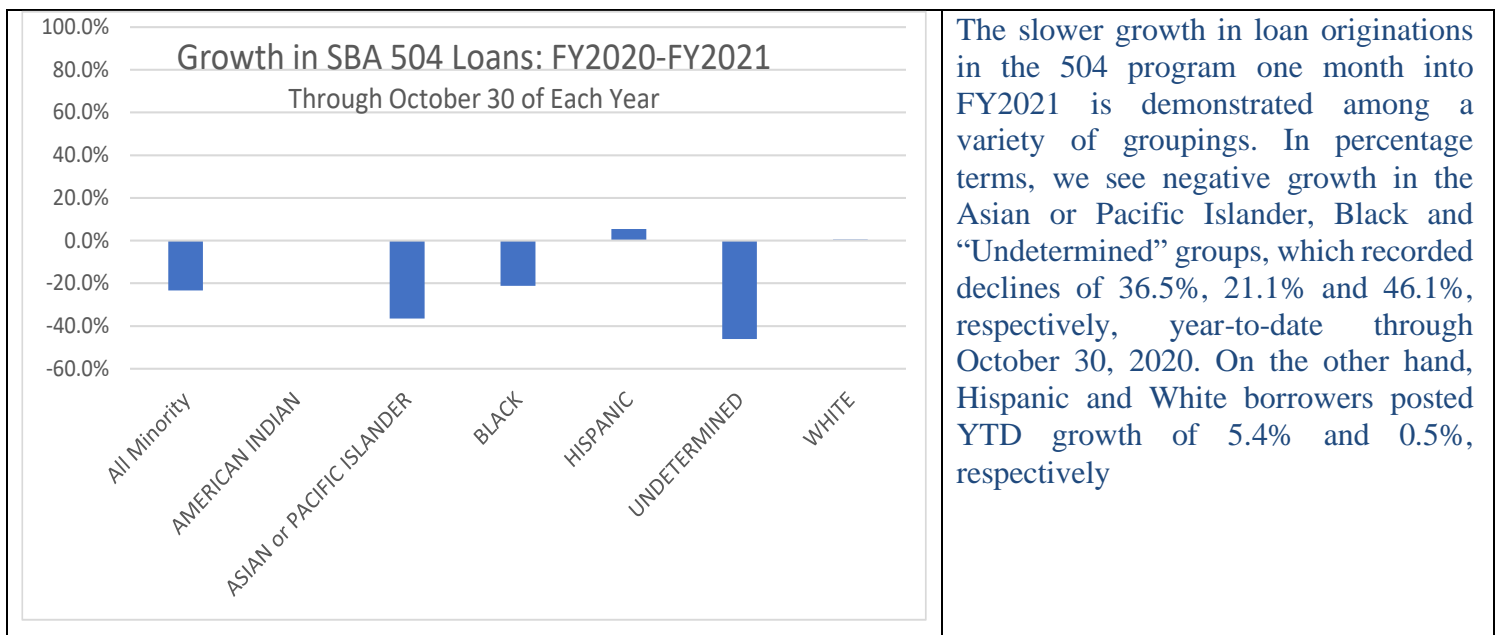


With just one month of fiscal year 2021 under our belt, SBA 504 loan activity has slowed compared to last year. Through October 30, 2020, SBA 504 loan originations were down 18.2% compared to the prior year, reaching \$497.2 million year-to-date in FY2021 versus \$607.9 million during the same period in FY2020. However, 504 loan originations are up 14.0% when compared to the same period in FY2019. Figures for the June 2020 and September 2020 quarters have not yet been updated, but the unpaid principal balance of outstanding 504 loans stood at \$25.72 billion as of March 31, 2020, down 0.2% compared to the \$25.83 billion figure at year-end FY2019. SBA 7(a) loan originations are down 24.1% through October 30, 2020 compared to the same period in FY2020 and the unpaid principal balance of 7(a) loans is \$95.64 billion at March 31, 2020, up 0.6% compared to year-end FY2019.



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 slower growth in loan originations in the 504 program one month into FY2021 is demonstrated among a variety of groupings. In percentage terms, we see negative growth in the Asian or Pacific Islander, Black and “Undetermined” groups, which recorded declines of 36.5%, 21.1% and 46.1%, respectively, year-to-date through October 30, 2020. On the other hand, Hispanic and White borrowers posted YTD growth of 5.4% and 0.5%, respectively

News Blurb of the Month — Don't stand in the way of CRA reform, Brian P. Brooks, BankThink, American Banker

October 19, 2020 – Now is not the time to slow Community Reinvestment Act modernization. Meaningful help is on the way to low- and moderate-income neighborhoods and underserved communities nationwide since the Federal Reserve Board began its rulemaking process in September, and the Office of the Comptroller of the Currency finalized its CRA rule in May.

<https://www.americanbanker.com/opinion/dont-stand-in-the-way-of-cra-reform>

Top SBA 504 Lenders				
	FY2019		FY2020 June YTD	
CDCs	Florida First Capital Finance Corporation, Inc.		Florida First Capital Finance Corporation, Inc.	
2nd Liens	CDC Small Business Finance Corporation		CDC Small Business Finance Corporation	
	Empire State Certified Development Corporation		Empire State Certified Development Corporation	
	Business Finance Capital		Business Finance Capital	
	Mortgage Capital Development Corporation		Mortgage Capital Development Corporation	
	Florida Business Development Corporation		Florida Business Development Corporation	
	WBD, Inc.		WBD, Inc.	
	California Statewide Certified Development Corporation		California Statewide Certified Development Corporation	
	Mountain West Small Business Finance		Mountain West Small Business Finance	
	Trenton Business Assistance 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		ONEWEST BANK, A DIVISION OF	
	BANK OF THE WEST		BANK OF THE WEST	
	BANK OF AMERICA, NATIONAL ASSOCIATION		BANK OF AMERICA, NATIONAL ASSOCIATION	
	ONEWEST BANK, A DIVISION OF		TD BANK, NATIONAL ASSOCIATION	
	CITY NATIONAL BANK		CITY NATIONAL BANK	
	TD BANK, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF	
	POPPY BANK		KEYBANK NATIONAL ASSOCIATION	
	REGIONS BANK		TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	
Top States for SBA 504 Loan Approvals				
	FY2019		FY2020 June YTD	
CA		1,211,052,000	CA	933,332,000
FL		414,740,000	FL	403,554,000
TX		257,756,000	TX	261,249,000
IL		208,606,000	IL	156,795,000
MN		192,633,000	WI	155,150,000
UT		182,638,000	NY	149,827,000
NY		160,555,000	UT	140,063,000
MA		157,867,000	NJ	131,116,000
GA		150,925,000	MA	116,824,000
WA		147,367,000	WA	114,040,000
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)	0.10%	0.08%	0.02%	0.07%	1.55%	1.03%
3m US T-Bill (BEY)	0.10%	0.10%	0.00%	0.10%	1.56%	1.19%
6m US T-Bill (BEY)	0.11%	0.11%	0.00%	0.11%	1.57%	1.30%
1y US T-Bill	0.12%	0.14%	-0.02%	0.14%	1.58%	1.50%
2y US T-Note	0.16%	0.14%	0.02%	0.11%	1.61%	1.61%
3y US T-Note	0.21%	0.17%	0.04%	0.13%	1.60%	1.73%
5y US T-Note	0.36%	0.32%	0.04%	0.21%	1.63%	1.99%
10y US T-Note	0.83%	0.76%	0.07%	0.55%	1.81%	2.32%
20y US T-Bond	1.37%	1.33%	0.04%	0.98%	2.13%	2.58%
30y US T-Bond	1.60%	1.56%	0.04%	1.20%	2.30%	2.80%
Federal Funds	0.09%	0.09%	0.00%	0.10%	1.56%	1.16%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	2.25%	1.75%
Prime Rate	3.25%	3.25%	0.00%	3.25%	4.75%	4.25%
TED Spread	0.11%	0.13%	0.00%	0.14%	0.38%	NA
Swap Rates						
2 Year LIBOR Swap	0.26%	0.25%	0.01%	0.22%	1.65%	1.82%
5 Year LIBOR Swap	0.44%	0.41%	0.03%	0.28%	1.61%	2.06%
10 Year LIBOR Swap	0.84%	0.80%	0.04%	0.55%	1.74%	2.30%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.42%	2.47%	-0.05%	2.39%	3.85%	4.25%
20 Yr	2.52%	2.55%	-0.03%	2.21%	3.68%	4.32%
25 Yr	2.55%	2.58%	-0.03%	2.27%	3.74%	
Depository Rates						
1 Mon. CD - Non Jumbo	0.05%	0.05%	0.00%	0.05%	0.11%	0.07%
3 Mon. CD - Non Jumbo	0.07%	0.08%	-0.01%	0.09%	0.20%	0.10%
6 Mon. CD - Non Jumbo	0.11%	0.12%	-0.01%	0.14%	0.35%	0.16%
1 Yr CD - Non Jumbo	0.17%	0.18%	-0.01%	0.21%	0.51%	0.28%
2 Yr CD - Non Jumbo	0.22%	0.23%	-0.01%	0.28%	0.66%	0.43%
3 Yr CD - Non Jumbo	0.27%	0.28%	-0.01%	0.34%	0.78%	0.57%
1 Mon. CD - Jumbo	0.05%	0.05%	0.00%	0.06%	0.14%	0.08%
3 Mon. CD - Jumbo	0.08%	0.08%	0.00%	0.10%	0.23%	0.12%
6 Mon. CD - Jumbo	0.13%	0.13%	0.00%	0.15%	0.40%	0.18%
1 Yr CD - Jumbo	0.18%	0.19%	-0.01%	0.23%	0.57%	0.31%
2 Yr CD - Jumbo	0.24%	0.25%	-0.01%	0.30%	0.71%	0.46%
3 Yr CD - Jumbo	0.28%	0.29%	-0.01%	0.35%	0.83%	0.60%
Savings	0.05%	0.05%	0.00%	0.06%	0.09%	0.06%
Checking	0.04%	0.04%	0.00%	0.04%	0.06%	0.04%
Money Market - Non Jumbo	0.07%	0.08%	-0.01%	0.08%	0.16%	0.09%
Money Market - Jumbo	0.13%	0.13%	0.00%	0.15%	0.27%	0.14%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.11	0.09	2.00%	0.09	1.58	
FHLB Fixed Advances (30 day, < \$15m)	0.37%	0.38%	-0.01%	0.36%	1.80%	1.35%

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