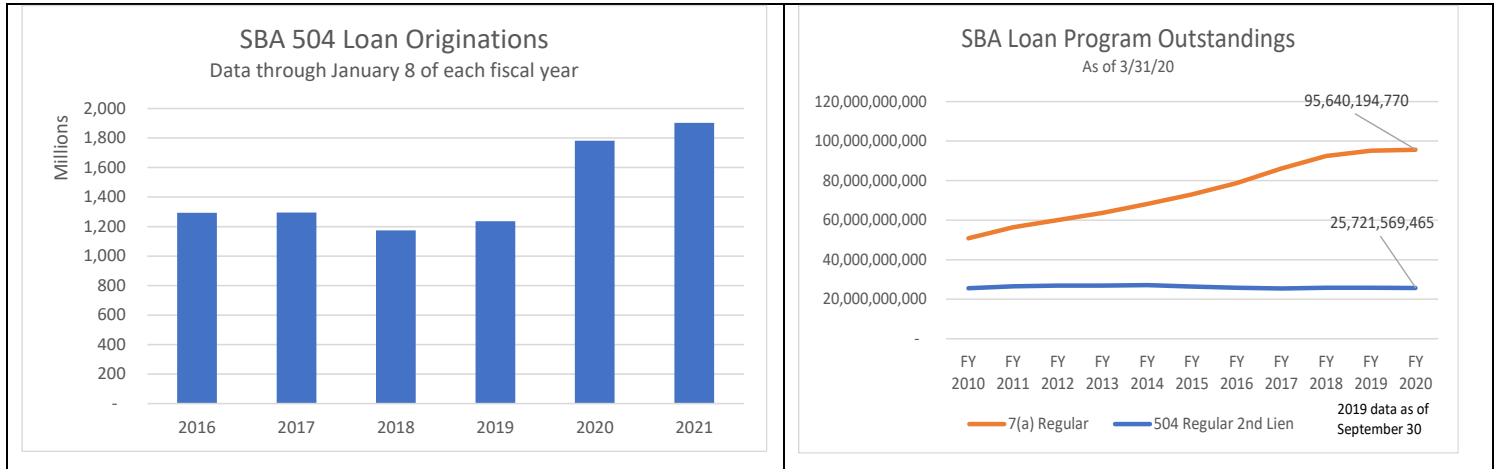
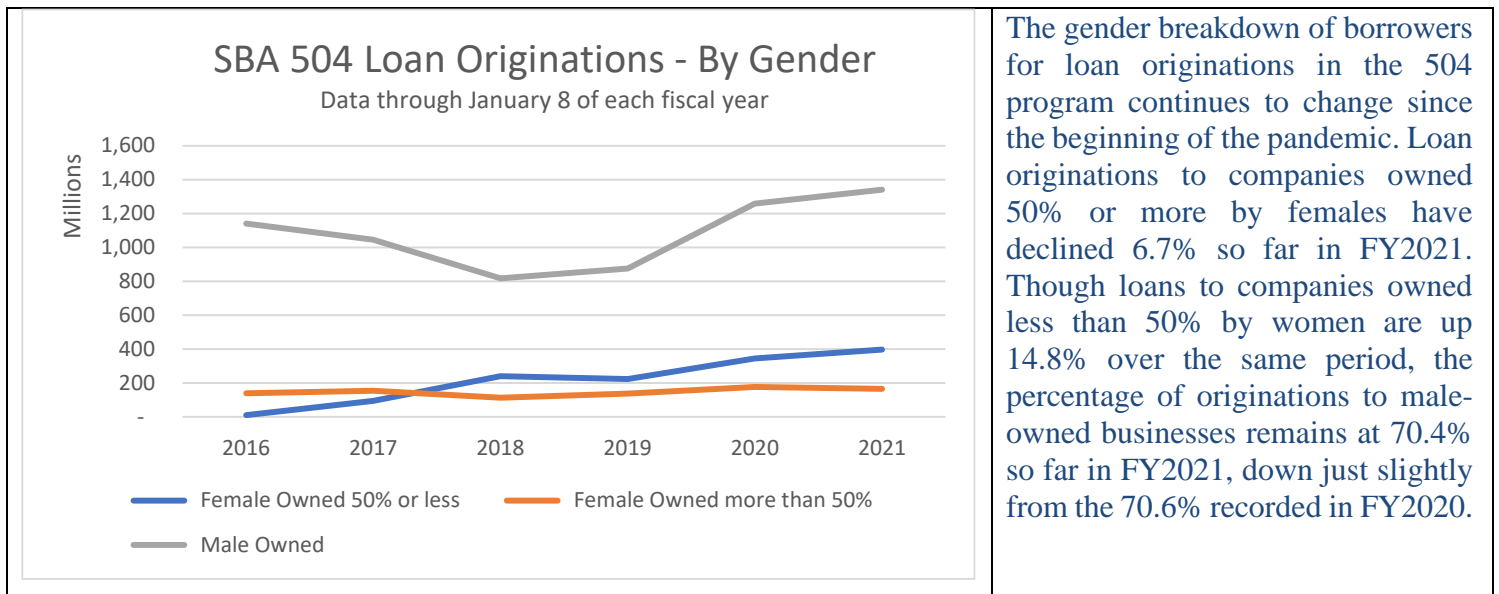


Building on the momentum shown in late 2020, loan activity accelerated again in December and early January 2021. Originations are now further ahead of where they were at the same point in fiscal year 2020. Through January 8, 2021, SBA 504 loan originations are up 6.8% compared to the prior year, reaching \$1.90 billion year-to-date in FY2021 versus \$1.78 billion during the same period in FY2020. Last month, originations were up 2.6% compared to the prior year. Unpaid Principal Balance of SBA 504 loan figures for the June 2020 and September 2020 quarters have still not been updated, and they 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 now down only 9.9% through January 8, 2021 (they were down 22.2% through December 4, 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 a bit closer to 7(a) loan totals.



The gender breakdown of borrowers for loan originations in the 504 program continues to change since the beginning of the pandemic. Loan originations to companies owned 50% or more by females have declined 6.7% so far in FY2021. Though loans to companies owned less than 50% by women are up 14.8% over the same period, the percentage of originations to male-owned businesses remains at 70.4% so far in FY2021, down just slightly from the 70.6% recorded in FY2020.

## News Blurb of the Month — New Stimulus Package Clears Path for Increased SBA Lending. John Reosti, American Banker

**December 22, 2020** – The new stimulus package is providing more than just emergency relief for small businesses. While the \$900 billion legislation revives the Paycheck Protection Program, it also enhances key elements of the Small Business Administration’s traditional lending efforts. That could result in a major lift for lenders and borrowers when the time comes to invest in an economic recovery, industry experts said. <https://www.americanbanker.com/news/new-stimulus-package-clears-path-for-increased-sba-lending>

<b>Top SBA 504 Lenders</b>			
	<b>FY2019</b>		<b>FY2020</b>
<b>CDCs</b>	Mortgage Capital Development Corporation		Florida First Capital Finance Corporation, Inc.
<b>2nd Liens</b>	CDC Small Business Finance Corporation		Mortgage Capital Development Corporation
	Florida First Capital Finance Corporation, Inc.		Business Finance Capital
	Empire State Certified Development Corporation		CDC Small Business Finance Corporation
	Business Finance Capital		Florida Business Development Corporation
	Florida Business Development Corporation		Empire State Certified 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		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		BANK OF THE WEST
	ZIONS BANK, A DIVISION OF		WELLS FARGO BANK, NATIONAL ASSOCIATION
	BANK OF THE WEST		ONEWEST BANK, A DIVISION OF
	BANK OF AMERICA, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF
	ONEWEST BANK, A DIVISION OF		CITY NATIONAL BANK
	CITY NATIONAL BANK		BANK OF AMERICA, NATIONAL ASSOCIATION
	TD BANK, NATIONAL ASSOCIATION		TD BANK, NATIONAL ASSOCIATION
	POPPY BANK		TRUIST BANK D/B/A BRANCH BANKING & TRUST CO
	REGIONS BANK		CALPRIVATE BANK
<b>Top States for SBA 504 Loan Approvals</b>			
	<b>FY2019</b>		<b>FY2020</b>
CA	1,211,232,000	CA	1,406,974,000
FL	415,715,000	FL	564,063,000
TX	257,771,000	TX	345,835,000
IL	208,880,000	IL	227,596,000
MN	192,746,000	WI	207,923,000
UT	182,862,000	UT	206,038,000
NY	160,658,000	NY	185,713,000
MA	157,867,000	MN	168,299,000
GA	150,931,000	MA	162,092,000
WA	147,771,000	NJ	155,131,000
Source: SBA		SBA Fiscal Years end on September 30	

### 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)	0.08%	0.07%	0.01%	0.10%	1.53%	1.31%
3m US T-Bill (BEY)	0.09%	0.08%	0.01%	0.11%	1.57%	1.43%
6m US T-Bill (BEY)	0.10%	0.08%	0.02%	0.12%	1.58%	1.59%
1y US T-Bill	0.10%	0.09%	0.01%	0.12%	1.54%	1.78%
2y US T-Note	0.13%	0.11%	0.02%	0.14%	1.56%	1.99%
3y US T-Note	0.20%	0.18%	0.02%	0.18%	1.56%	2.12%
5y US T-Note	0.05%	0.11%	-0.06%	0.12%	1.64%	0.98%
10y US T-Note	1.11%	0.92%	0.19%	0.74%	1.79%	2.55%
20y US T-Bond	1.66%	1.45%	0.21%	1.29%	2.09%	2.71%
30y US T-Bond	1.85%	1.65%	0.20%	1.52%	2.23%	2.85%
Federal Funds	0.09%	0.09%	0.00%	0.09%	1.54%	1.42%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	2.25%	NA
Prime Rate	3.25%	3.25%	0.00%	3.25%	4.75%	4.50%
TED Spread	0.15%	0.14%	-0.01%	0.12%	0.30%	0.29%
<b>Swap Rates</b>						
2 Year LIBOR Swap	0.23%	0.22%	0.01%	0.25%	1.64%	2.19%
5 Year LIBOR Swap	0.55%	0.45%	0.10%	0.40%	1.62%	2.40%
10 Year LIBOR Swap	1.11%	0.93%	0.18%	0.79%	1.76%	2.52%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	2.44%	2.42%	0.02%	2.47%	3.79%	4.64%
20 Yr	2.65%	2.58%	0.07%	2.55%	3.64%	4.63%
25 Yr	2.69%	2.62%	0.07%	2.58%	3.71%	
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	3.84%	3.39%	0.45%	2.42%	3.19%	3.51%
10 Yr Variable	3.44%	3.16%	0.28%	3.17%	3.87%	4.04%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.04%	0.05%	-0.01%	0.05%	0.10%	0.07%
3 Mon. CD - Non Jumbo	0.07%	0.07%	0.00%	0.08%	0.19%	0.11%
6 Mon. CD - Non Jumbo	0.10%	0.11%	-0.01%	0.12%	0.34%	0.17%
1 Yr CD - Non Jumbo	0.16%	0.16%	0.00%	0.18%	0.49%	0.29%
2 Yr CD - Non Jumbo	0.21%	0.21%	0.00%	0.23%	0.63%	0.44%
3 Yr CD - Non Jumbo	0.25%	0.26%	-0.01%	0.27%	0.75%	0.59%
1 Mon. CD - Jumbo	0.05%	0.05%	0.00%	0.05%	0.13%	0.08%
3 Mon. CD - Jumbo	0.07%	0.08%	-0.01%	0.08%	0.22%	0.12%
6 Mon. CD - Jumbo	0.11%	0.11%	0.00%	0.13%	0.38%	0.19%
1 Yr CD - Jumbo	0.17%	0.17%	0.00%	0.19%	0.54%	0.32%
2 Yr CD - Jumbo	0.22%	0.22%	0.00%	0.24%	0.68%	0.48%
3 Yr CD - Jumbo	0.26%	0.27%	-0.01%	0.29%	0.80%	0.63%
Savings	0.05%	0.05%	0.00%	0.05%	0.09%	0.06%
Checking	0.04%	0.04%	0.00%	0.04%	0.05%	0.04%
Money Market - Non Jumbo	0.07%	0.07%	0.00%	0.07%	0.15%	0.09%
Money Market - Jumbo	0.12%	0.12%	0.00%	0.13%	0.25%	0.15%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.08%	0.08%	0.00%	0.09%	1.54%	NA
FHLB Fixed Advances (30 day, < \$15m)	0.35%	0.34%	0.01%	0.39%	1.81%	1.59%

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