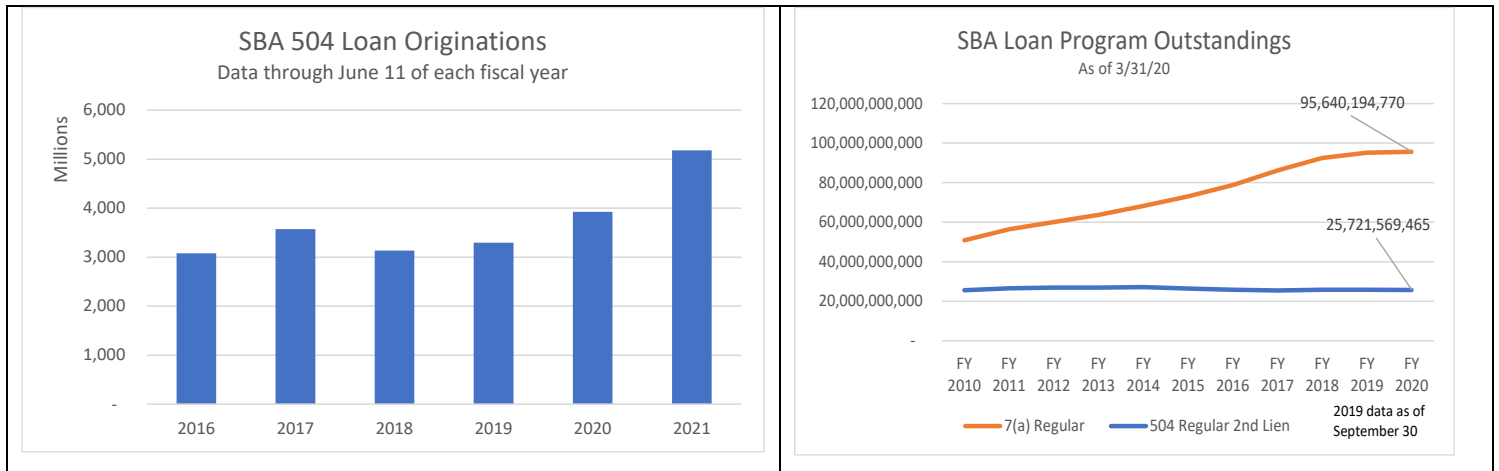
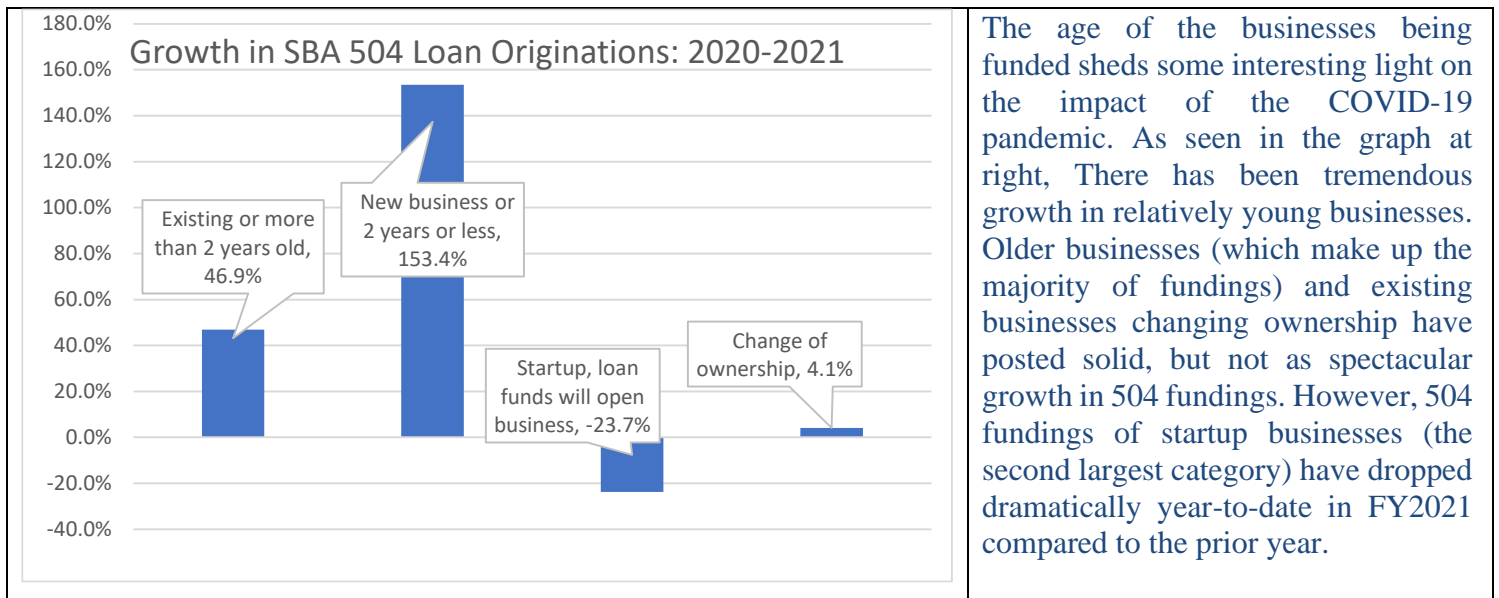


Originations of SBA 504 loans continued at a rapid pace during the past month. Through June 11, 2021, SBA 504 loan originations are up 32.0% compared to the prior year, reaching \$5.18 billion year-to-date in FY2021 versus \$3.92 billion during the same period in FY2020. Last month, originations were up 23.0% compared to the prior year. Unpaid Principal Balance of SBA 504 loan figures for the June 2020, September 2020, December 2020, and March 2021 quarters have still not been updated. 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 also accelerated during the past month. They are now up 22.6% through June 11, 2021 (they were up 4.8% through April 30, 2021) 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 age of the businesses being funded sheds some interesting light on the impact of the COVID-19 pandemic. As seen in the graph at right, There has been tremendous growth in relatively young businesses. Older businesses (which make up the majority of fundings) and existing businesses changing ownership have posted solid, but not as spectacular growth in 504 fundings. However, 504 fundings of startup businesses (the second largest category) have dropped dramatically year-to-date in FY2021 compared to the prior year.

## News Blurb of the Month — Community Reinvestment Act Rule Revision Can Boost Small Mortgage Loans, Nick Bourke and Tracy Maguze, The Pew Charitable Trusts

**May 20, 2021** – Congress passed the Community Reinvestment Act (CRA) in 1977 to encourage local financial institutions to help meet their communities’ credit needs, particularly in low- and moderate-income neighborhoods. Now, the Federal Reserve Board is considering ways to modernize CRA regulations to reflect how the sector works in the 21st century creating an opportunity to reverse the years-long decline in the availability of mortgage loans under \$150,000.

<https://www.pewtrusts.org/en/research-and-analysis/articles/2021/05/20/community-reinvestment-act-rule-revision-can-boost-small-mortgage-loans>

### Top SBA 504 Lenders

	FY2020	Volume (\$Millions)	FY2021 (Through Mar.31, 2021)	Volume (\$Millions)
<b>CDCs</b>	Florida First Capital Finance Corporation, Inc.	\$345.9	CDC Small Business Finance Corporation	\$200.4
<b>2nd Liens</b>	Mortgage Capital Development Corporation	\$307.1	Mortgage Capital Development Corporation	\$183.1
	Business Finance Capital	\$299.3	Business Finance Capital	\$179.0
	CDC Small Business Finance Corporation	\$292.7	Florida First Capital Finance Corporation, Inc.	\$175.3
	Florida Business Development Corporation	\$258.9	Empire State Certified Development Corporation	\$163.6
	Empire State Certified Development Corporation	\$250.3	Florida Business Development Corporation	\$140.9
	WBD, Inc.	\$198.3	Mountain West Small Business Finance	\$131.0
	California Statewide Certified Development Corpora	\$189.0	California Statewide Certified Development Corpora	\$122.5
	Mountain West Small Business Finance	\$171.2	WBD, Inc.	\$105.2
	Small Business Growth Corporation	\$125.8	Small Business Growth Corporation	\$102.1
	<b>Total</b>	<b>\$5,872.8</b>	<b>Total</b>	<b>\$3,609.4</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	318.5	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$170.9
<b>TPLs</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION	188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$127.7
<b>1st liens</b>	BANK OF THE WEST	183.6	BANK OF AMERICA, NATIONAL ASSOCIATION	\$91.4
	ONEWEST BANK, A DIVISION OF	156.1	ONEWEST BANK, A DIVISION OF	\$89.1
	CITY NATIONAL BANK	141.3	BANK OF THE WEST	\$77.4
	TD BANK, NATIONAL ASSOCIATION	134.9	CITY NATIONAL BANK	\$67.1
	ZIONS BANK, A DIVISION OF	124.9	TD BANK, NATIONAL ASSOCIATION	\$64.7
	BANK OF AMERICA, NATIONAL ASSOCIATION	116.2	ZIONS BANK, A DIVISION OF	\$61.3
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	80.1	BANK FIVE NINE	\$58.2
	BANK FIVE NINE	74.2	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$53.7
	<b>Total</b>	<b>\$7,758.6</b>	<b>Total</b>	<b>\$4,704.0</b>

### Top States for SBA 504 Loan Approvals

	FY2020	FY2021 (Through Mar. 31, 2021)
CA	\$1,411,527,000	877,202,000
FL	\$565,925,000	319,604,000
TX	\$346,256,000	189,248,000
IL	\$228,221,000	153,730,000
WI	\$208,947,000	152,821,000
UT	\$206,583,000	139,519,000
NY	\$186,596,000	117,400,000
MN	\$168,373,000	110,651,000
MA	\$162,142,000	108,513,000
NJ	\$155,876,000	103,313,000

Source: SBA

SBA Fiscal Years end on September 30

#### About Us

Equalize Capital 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)	0.05%	0.00%	0.05%	0.01%	0.13%	1.82%
3m US T-Bill (BEY)	0.04%	0.02%	0.02%	0.02%	0.17%	1.94%
6m US T-Bill (BEY)	0.06%	0.04%	0.02%	0.05%	0.18%	2.07%
1y US T-Bill	0.08%	0.06%	0.02%	0.07%	0.19%	2.35%
2y US T-Note	0.23%	0.16%	0.07%	0.13%	0.19%	2.55%
3y US T-Note	0.43%	0.34%	0.09%	0.29%	0.23%	2.68%
5y US T-Note	0.90%	0.84%	0.06%	0.80%	0.34%	2.81%
10y US T-Note	1.52%	1.64%	-0.12%	1.63%	0.74%	2.93%
20y US T-Bond	2.05%	2.27%	-0.22%	2.32%	1.30%	2.98%
30y US T-Bond	2.11%	2.36%	-0.25%	2.42%	1.52%	3.05%
Federal Funds	0.06%	0.06%	0.00%	0.07%	0.09%	1.90%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	0.25%	2.50%
Prime Rate	3.25%	3.25%	0.00%	3.25%	3.25%	5.00%
TED Spread	0.09%	0.13%	-0.04%	0.17%	NA	0.39%
<b>Swap Rates</b>						
2 Year LIBOR Swap	0.29%	0.27%	0.02%	0.25%	0.28%	2.78%
5 Year LIBOR Swap	0.97%	0.91%	0.06%	0.86%	0.41%	2.93%
10 Year LIBOR Swap	1.53%	1.60%	-0.07%	1.52%	0.74%	2.95%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	2.61%	2.61%	0.00%	2.68%	2.64%	5.28%
20 Yr	2.76%	2.85%	-0.09%	3.00%	2.52%	5.31%
25 Yr	2.88%	2.93%	-0.05%	3.04%	2.60%	
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	3.35%	3.48%	-0.13%	2.46%	2.73%	4.07%
10 Yr Variable	3.12%	3.20%	-0.08%	3.27%	3.33%	4.38%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.03%	0.02%	0.01%	0.04%	0.06%	0.08%
3 Mon. CD - Non Jumbo	0.06%	0.05%	0.01%	0.06%	0.10%	0.14%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.16%	0.23%
1 Yr CD - Non Jumbo	0.14%	0.14%	0.00%	0.14%	0.24%	0.39%
2 Yr CD - Non Jumbo	0.18%	0.17%	0.01%	0.19%	0.33%	0.57%
3 Yr CD - Non Jumbo	0.21%	0.19%	0.02%	0.23%	0.38%	0.73%
Savings	0.06%	0.06%	0.00%	0.04%	0.06%	0.08%
Checking	0.03%	0.03%	0.00%	0.03%	0.04%	0.05%
Money Market - Non Jumbo	0.10%	0.06%	0.04%	0.06%	0.09%	0.12%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.01%	0.01%	0.00%	0.01%	0.09%	1.90%
FHLB Fixed Advances (30 day, < \$15m)	0.31%	0.26%	0.05%	0.28%	0.45%	2.10%

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