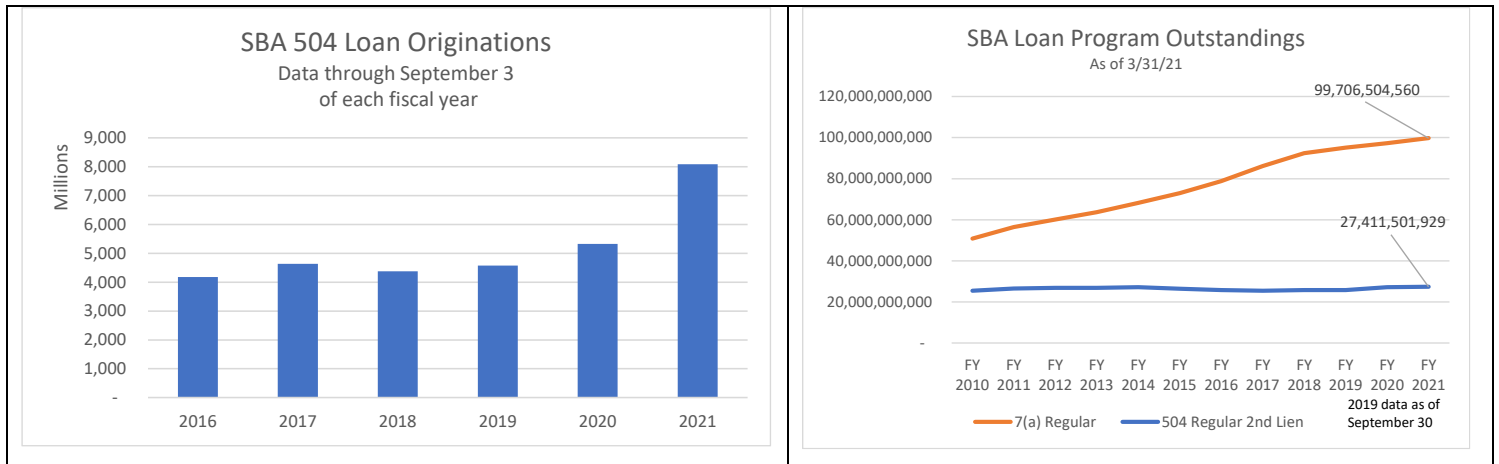
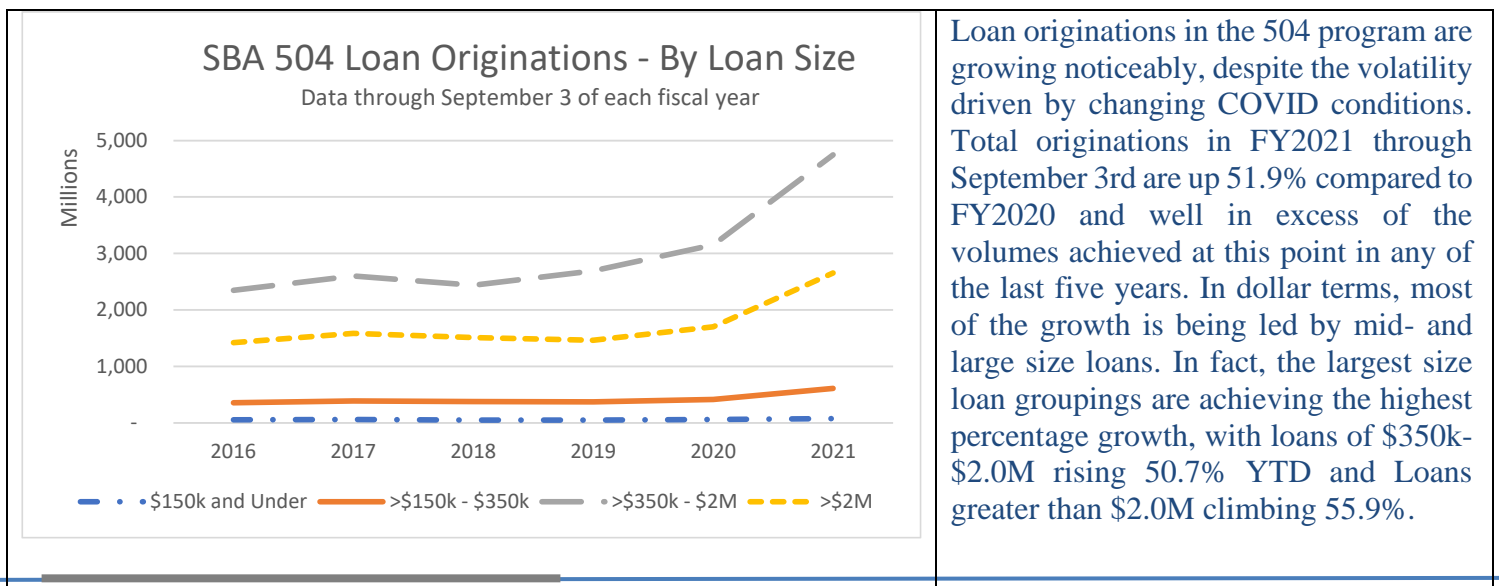


Originations of SBA 504 loans accelerated again during the past month. Through September 3, 2021, SBA 504 loan originations are up 51.9% compared to the prior year, reaching \$8.09 billion year-to-date in FY2021 versus \$5.32 billion during the same period in FY2020. Last month, originations were up 45.1% compared to the prior year. Unpaid Principal Balance of SBA 504 loan stood at \$27.41 billion as of March 31, 2021, up 0.8% compared to the \$27.20 billion figure at year-end FY2020. SBA 7(a) loan originations also accelerated during the past month. They are now up 57.7% through July 30, 2021 (they were up 44.7% through July 30, 2021) compared to the same period in FY2020 and the unpaid principal balance of 7(a) loans is \$99.71 billion at March 31, 2021, up 2.5% compared to year-end FY2020.



The 7(a) program has shown steady growth in loan outstandings in recent years that continued through the end of FY2020 (2.3% in FY2020, 2.9% in FY2019 and 7.2% in FY2018). However, 504 loans broke out of the tight range between \$25 billion and \$27 billion it has occupied over the last nine years, growing 5.5% to \$27.2 billion at year-end FY2020. 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. The first lien loan financing typically accounts for another 50% of 504 projects, meaning the actual program totals would be more than double the figures shown in the graph above.



Loan originations in the 504 program are growing noticeably, despite the volatility driven by changing COVID conditions. Total originations in FY2021 through September 3rd are up 51.9% compared to FY2020 and well in excess of the volumes achieved at this point in any of the last five years. In dollar terms, most of the growth is being led by mid- and large size loans. In fact, the largest size loan groupings are achieving the highest percentage growth, with loans of \$350k-\$2.0M rising 50.7% YTD and Loans greater than \$2.0M climbing 55.9%.

The information presented herein is not an offer, or the solicitation of an offer, to buy or sell any of the products described herein. Any terms or conditions contained herein are indicative and are provided for discussion purposes only. This is intended as an outline only and does not purport to list or summarize all of the terms and conditions of a particular transaction, nor to identify or define all of the risks that would be associated with the purchase or sale of the products described herein. All information contained herein is qualified in its entirety by the information that would be contained in the final documentation for any transaction. The information contained herein should not be construed as investment advice or a recommendation to purchase any of the referenced securities described herein.

News Blurb(s) of the Month — Community Reinvestment Act: Proposal to Rescind and Replace Community Reinvestment Act Rule Issued in 2020 OCC Bulletin 2021-41 Interagency statement on Community Reinvestment Act joint agency action Joint Press Release Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency

September 8, 2021 – On September 8, 2021, the Office of the Comptroller of the Currency (OCC) issued a proposal to rescind the Community Reinvestment Act (CRA) rule that the OCC published in June 2020 and replace it with rules based largely on the rules adopted jointly by the federal banking agencies in 1995.

<https://www.occ.treas.gov/news-issuances/bulletins/2021/bulletin-2021-41.html>

July 20, 2021 – The Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) are committed to working together to jointly strengthen and modernize regulations implementing the Community Reinvestment Act (CRA).

<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20210720a.htm>

Top SBA 504 Lenders				
	FY2020 (Through Sep. 30, 2020)	Volume (\$Millions)	FY2021 (Through Jun.30, 2021)	Volume (\$Millions)
CDCs	Florida First Capital Finance Corporation, Inc.	\$346.9	Mortgage Capital Development Corporation	\$334.0
2nd Liens	Mortgage Capital Development Corporation	\$307.1	CDC Small Business Finance Corporation	\$322.1
	Business Finance Capital	\$300.0	Business Finance Capital	\$302.5
	CDC Small Business Finance Corporation	\$292.8	Florida First Capital Finance Corporation, Inc.	\$271.4
	Florida Business Development Corporation	\$260.4	Empire State Certified Development Corporation	\$259.9
	Empire State Certified Development Corporation	\$250.3	Florida Business Development Corporation	\$220.8
	WBD, Inc.	\$198.4	California Statewide Certified Development Corpora	\$195.3
	California Statewide Certified Development Corpora	\$189.0	Mountain West Small Business Finance	\$186.9
	Mountain West Small Business Finance	\$171.7	WBD, Inc.	\$171.7
	Small Business Growth Corporation	\$126.6	Small Business Growth Corporation	\$162.2
	Total	\$5,886.7	Total	\$5,752.1
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$318.5	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$288.1
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$192.5
1st liens	BANK OF THE WEST	\$183.6	BANK OF AMERICA, NATIONAL ASSOCIATION	\$156.2
	ONEWEST BANK, A DIVISION OF	\$156.1	CITY NATIONAL BANK	\$147.8
	CITY NATIONAL BANK	\$141.3	ONEWEST BANK, A DIVISION OF	\$119.5
	TD BANK, NATIONAL ASSOCIATION	\$134.9	BANK OF THE WEST	\$100.2
	ZIONS BANK, A DIVISION OF	\$124.9	BANK FIVE NINE	\$98.0
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$116.2	TD BANK, NATIONAL ASSOCIATION	\$95.0
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$80.1	ZIONS BANK, A DIVISION OF	\$85.4
	BANK FIVE NINE	\$74.2	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$81.4
	Total	\$7,759.0	Total	\$7,483.2

Top States for SBA 504 Loan Approvals				
	FY2020 (Through Sep. 30, 2020)		FY2021 (Through Jun. 30, 2021)	
CA	\$1,412,326,000	CA	\$1,393,779,000	
FL	\$567,471,000	FL	\$474,136,000	
TX	\$347,419,000	TX	\$292,343,000	
IL	\$229,715,000	NY	\$238,381,000	
WI	\$208,972,000	UT	\$224,717,000	
UT	\$207,079,000	IL	\$222,893,000	
NY	\$186,610,000	MN	\$186,241,000	
MN	\$168,751,000	WI	\$183,451,000	
MA	\$162,183,000	CO	\$171,809,000	
WA	\$156,494,000	GA	\$162,314,000	
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

Asset Yields	Current	1-month ago	1 month change	3-months ago	1-year ago	3-years ago
1m US T-Bill (BEY)	0.06%	0.05%	0.01%	0.01%	0.10%	1.98%
3m US T-Bill (BEY)	0.05%	0.05%	0.00%	0.03%	0.12%	2.14%
6m US T-Bill (BEY)	0.06%	0.05%	0.01%	0.04%	0.12%	2.32%
1y US T-Bill	0.08%	0.08%	0.00%	0.05%	0.15%	2.54%
2y US T-Note	0.23%	0.24%	-0.01%	0.14%	0.14%	2.73%
3y US T-Note	0.45%	0.47%	-0.02%	0.30%	0.17%	2.78%
5y US T-Note	0.82%	0.82%	0.00%	0.73%	0.26%	2.83%
10y US T-Note	1.35%	1.36%	-0.01%	1.45%	0.68%	2.94%
20y US T-Bond	1.86%	1.90%	-0.04%	2.07%	1.22%	3.02%
30y US T-Bond	1.94%	1.99%	-0.05%	2.15%	1.43%	3.09%
Federal Funds	0.08%	0.10%	-0.02%	0.06%	0.09%	1.92%
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	0.07%	0.07%	0.00%	0.09%	0.13%	NA
Swap Rates						
2 Year LIBOR Swap	0.33%	0.34%	-0.01%	0.29%	0.24%	2.91%
5 Year LIBOR Swap	0.91%	0.92%	-0.01%	0.97%	0.36%	2.96%
10 Year LIBOR Swap	1.36%	1.36%	0.00%	1.53%	0.72%	3.00%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.67%	2.59%	0.08%	2.61%	2.27%	5.24%
20 Yr	2.86%	2.74%	0.12%	2.76%	2.36%	5.24%
25 Yr	2.97%	2.86%	0.11%	2.88%	2.41%	5.29%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	3.03%	3.01%	0.02%	2.31%	2.47%	4.05%
10 Yr Variable	2.94%	2.92%	0.02%	3.12%	3.30%	4.53%
Depository Rates						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.03%	0.05%	0.10%
3 Mon. CD - Non Jumbo	0.07%	0.07%	0.00%	0.06%	0.09%	0.16%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.13%	0.25%
1 Yr CD - Non Jumbo	0.14%	0.14%	0.00%	0.14%	0.21%	0.43%
2 Yr CD - Non Jumbo	0.17%	0.17%	0.00%	0.18%	0.27%	0.62%
3 Yr CD - Non Jumbo	0.21%	0.20%	0.01%	0.21%	0.32%	0.77%
Savings	0.06%	0.06%	0.00%	0.06%	0.06%	0.08%
Checking	0.03%	0.03%	0.00%	0.03%	0.04%	0.05%
Money Market - Non Jumbo	0.09%	0.08%	0.01%	0.10%	0.08%	0.13%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.05%	0.05%	0.00%	0.01%	0.09%	1.94%
FHLB Fixed Advances (30 day, < \$15m)	0.31%	0.31%	0.00%	0.27%	0.39%	2.25%

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