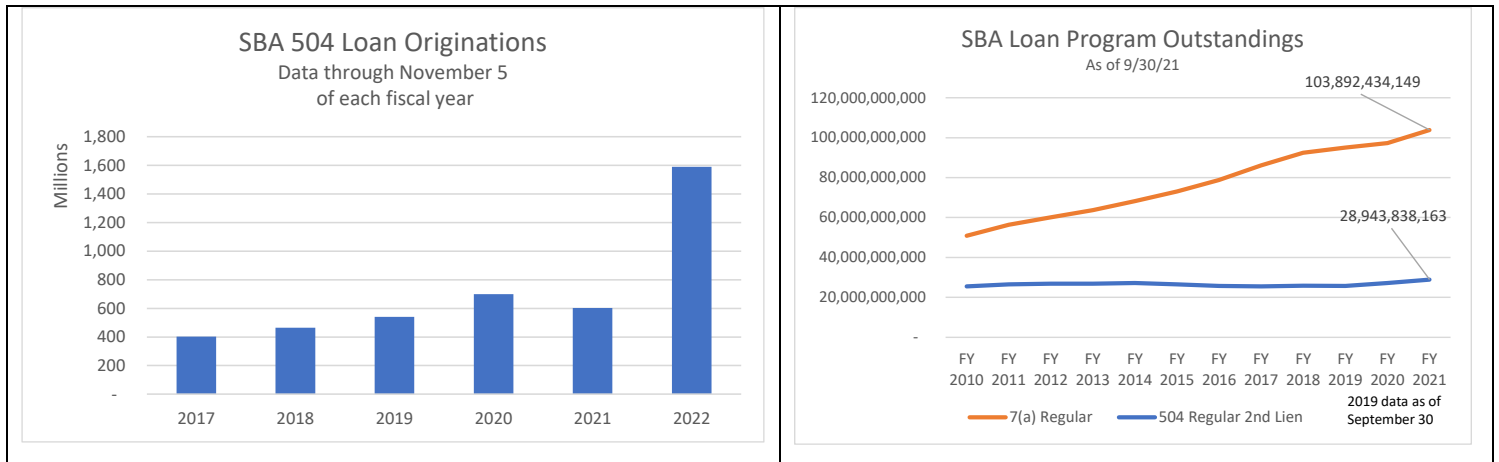
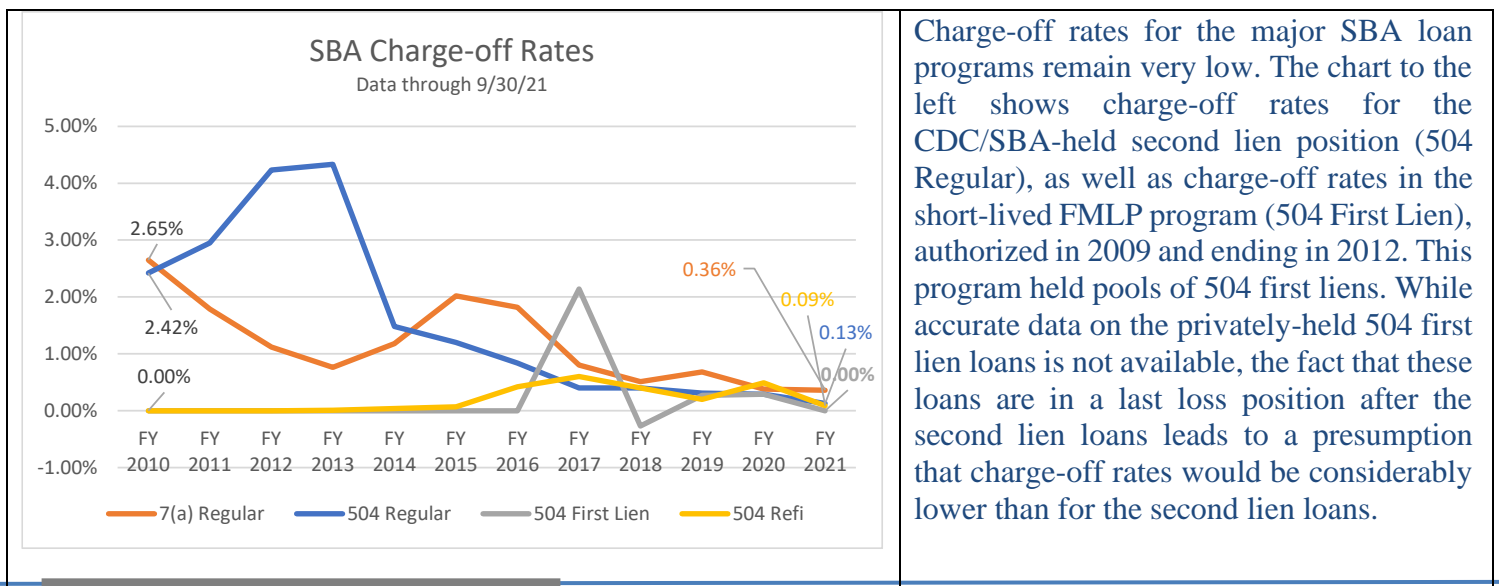


SBA 504 loan originations started the new SBA fiscal year (FY2022) with a bang. Five weeks into the new fiscal year (started October 1<sup>st</sup>), 504 loan originations are up 163.4% compared to the same period a year ago. If you're thinking that this is due to COVID effects in the prior year, originations this year are up 127.3% compared to the same period two years ago, which was pre-COVID. Originations were up 41.0% in the fiscal year ended September 30, 2021. Unpaid Principal Balance of SBA 504 loan stood at \$28.94 billion as of September 30, 2021, up 6.4% compared to the \$27.20 billion figure at year-end FY2020. SBA 7(a) loan originations started the year more slowly, exhibiting a 28.5% decline compared to the same period the previous year after rising 62.0% in FY2021. The unpaid principal balance of 7(a) loans is \$103.89 billion at September 30, 2021, up 6.8% 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 FY2021 (6.8% in FY2021, 2.3% in FY2020, and 2.9% in FY2019). 504 loans have shown accelerating growth, rising 6.4% to \$28.9 billion at year-end FY2021, after climbing 5.5% in FY2020 and (0.2%) in FY2019. Of course, the published 504 loan figures in the chart above include only the CDC/SBA second lien portion of a 504 loan package. If we include the private lender portion of the same loan projects, which typically accounts for 50% of 504 projects, The total for SBA 504 loan outstandings (1<sup>st</sup> and 2<sup>nd</sup> liens combined) would be somewhere in the neighborhood of \$65 billion, still below 7(a) totals, but much closer.



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 — Governor Kathy Hochul signs legislation expanding New York Community Reinvestment Act to non-depository lenders, Press Release, The Governor’s Press Office

**November 1, 2021** – When the CRA was enacted in 1978, banks originated the vast majority of mortgages. Since the 2008 financial crisis, non-depository lenders have dramatically increased their market share, and nonbanks are now responsible for a majority of mortgage originations in New York State and nationally.

<https://www.governor.ny.gov/news/governor-hochul-signs-legislation-expanding-new-york-community-reinvestment-act-non-depository>

Top SBA 504 Lenders				
	FY2020 (Through Sep. 30, 2020)	Volume (\$Millions)	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)
<b>CDCs</b>	Florida First Capital Finance	\$346.9	Mortgage Capital Development C	\$449.8
<b>2nd Liens</b>	Mortgage Capital Development C	\$307.2	CDC Small Business Finance Cor	\$440.6
	Business Finance Capital	\$300.0	Business Finance Capital	\$428.6
	CDC Small Business Finance Cor	\$292.8	Florida First Capital Finance	\$378.5
	Florida Business Development C	\$261.1	Empire State Certified Develop	\$363.9
	Empire State Certified Develop	\$250.4	Florida Business Development C	\$306.6
	WBD, Inc.	\$198.7	WBD, Inc.	\$272.9
	California Statewide Certified	\$189.0	California Statewide Certified	\$268.3
	Mountain West Small Business F	\$171.8	Mountain West Small Business F	\$265.1
	Small Business Growth Corporat	\$126.9	Small Business Growth Corporat	\$247.1
	<b>Total</b>	<b>\$5,892.5</b>	<b>Total</b>	<b>\$8,253.5</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$318.5	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2
<b>TPLs</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$188.1	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6
<b>1st liens</b>	BANK OF THE WEST	\$183.6	CITY NATIONAL BANK	\$202.9
	ONEWEST BANK, A DIVISION OF	\$156.1	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7
	CITY NATIONAL BANK	\$141.3	ONEWEST BANK, A DIVISION OF	\$159.7
	TD BANK, NATIONAL ASSOCIATION	\$134.9	ZIONS BANK, A DIVISION OF	\$152.6
	ZIONS BANK, A DIVISION OF	\$124.9	BANK FIVE NINE	\$136.7
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$116.2	TD BANK, NATIONAL ASSOCIATION	\$126.7
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$80.1	BANK OF THE WEST	\$117.9
	BANK FIVE NINE	\$74.2	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$111.0
	<b>Total</b>	<b>\$7,758.8</b>	<b>Total</b>	<b>\$10,707.1</b>

Top States for SBA 504 Loan Approvals				
	FY2020 (Through Sep. 30, 2020)		FY2021 (Through Sep. 30, 2021)	
CA	\$1,412,469,000	CA	\$1,939,743,000	
FL	\$568,638,000	FL	\$663,074,000	
TX	\$348,280,000	TX	\$408,640,000	
IL	\$230,313,000	IL	\$349,330,000	
WI	\$209,143,000	NY	\$331,258,000	
UT	\$207,133,000	UT	\$314,459,000	
NY	\$186,654,000	WI	\$300,183,000	
MN	\$168,897,000	MN	\$281,739,000	
MA	\$162,319,000	CO	\$239,295,000	
WA	\$156,494,000	GA	\$210,556,000	
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)	<b>0.06%</b>	0.02%	0.04%	0.05%	0.09%	2.21%
3m US T-Bill (BEY)	<b>0.05%</b>	0.05%	0.00%	0.05%	0.10%	2.36%
6m US T-Bill (BEY)	<b>0.07%</b>	0.07%	0.00%	0.05%	0.11%	2.52%
1y US T-Bill	<b>0.17%</b>	0.09%	0.08%	0.08%	0.12%	2.73%
2y US T-Note	<b>0.51%</b>	0.32%	0.19%	0.24%	0.19%	2.94%
3y US T-Note	<b>0.83%</b>	0.59%	0.24%	0.47%	0.26%	3.01%
5y US T-Note	<b>1.23%</b>	1.05%	0.18%	0.82%	0.46%	3.05%
10y US T-Note	<b>1.56%</b>	1.61%	-0.05%	1.36%	0.98%	3.19%
20y US T-Bond	<b>1.96%</b>	2.11%	-0.15%	1.90%	1.53%	3.32%
30y US T-Bond	<b>1.92%</b>	2.16%	-0.24%	1.99%	1.75%	3.40%
Federal Funds	<b>0.08%</b>	0.08%	0.00%	0.10%	0.09%	NA
Fed Discount Rate	<b>0.25%</b>	0.25%	0.00%	0.25%	0.25%	2.75%
Prime Rate	<b>3.25%</b>	3.25%	0.00%	3.25%	3.25%	5.25%
TED Spread	<b>0.10%</b>	0.07%	0.03%	0.07%	0.11%	NA
<b>Swap Rates</b>						
2 Year LIBOR Swap	<b>0.77%</b>	0.47%	0.30%	0.31%	0.28%	3.14%
5 Year LIBOR Swap	<b>1.31%</b>	1.15%	0.16%	0.86%	0.52%	3.17%
10 Year LIBOR Swap	<b>1.59%</b>	1.64%	-0.05%	1.31%	0.98%	3.22%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	<b>2.79%</b>	2.37%	0.42%	2.59%	2.42%	5.18%
20 Yr	<b>2.78%</b>	2.77%	0.01%	2.74%	2.52%	5.25%
25 Yr	<b>2.92%</b>	2.91%	0.01%	2.86%	2.55%	5.32%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	<b>3.00%</b>	3.13%	-0.13%	2.18%	2.40%	4.30%
10 Yr Variable	<b>2.95%</b>	3.00%	-0.05%	2.92%	3.20%	4.69%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	<b>0.03%</b>	0.03%	0.00%	0.03%	0.05%	0.10%
3 Mon. CD - Non Jumbo	<b>0.06%</b>	0.06%	0.00%	0.07%	0.08%	0.17%
6 Mon. CD - Non Jumbo	<b>0.09%</b>	0.09%	0.00%	0.09%	0.12%	0.28%
1 Yr CD - Non Jumbo	<b>0.14%</b>	0.14%	0.00%	0.14%	0.18%	0.47%
2 Yr CD - Non Jumbo	<b>0.17%</b>	0.17%	0.00%	0.17%	0.23%	0.67%
3 Yr CD - Non Jumbo	<b>0.20%</b>	0.21%	-0.01%	0.20%	0.27%	0.82%
Savings	<b>0.06%</b>	0.06%	0.00%	0.06%	0.05%	0.09%
Checking	<b>0.03%</b>	0.03%	0.00%	0.03%	0.04%	0.06%
Money Market - Non Jumbo	<b>0.08%</b>	0.08%	0.00%	0.08%	0.07%	0.15%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	<b>0.05%</b>	0.05%	0.00%	0.05%	0.10%	2.21%
FHLB Fixed Advances (30 day, < \$15m)	<b>0.32%</b>	0.32%	0.00%	0.31%	0.37%	2.48%

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