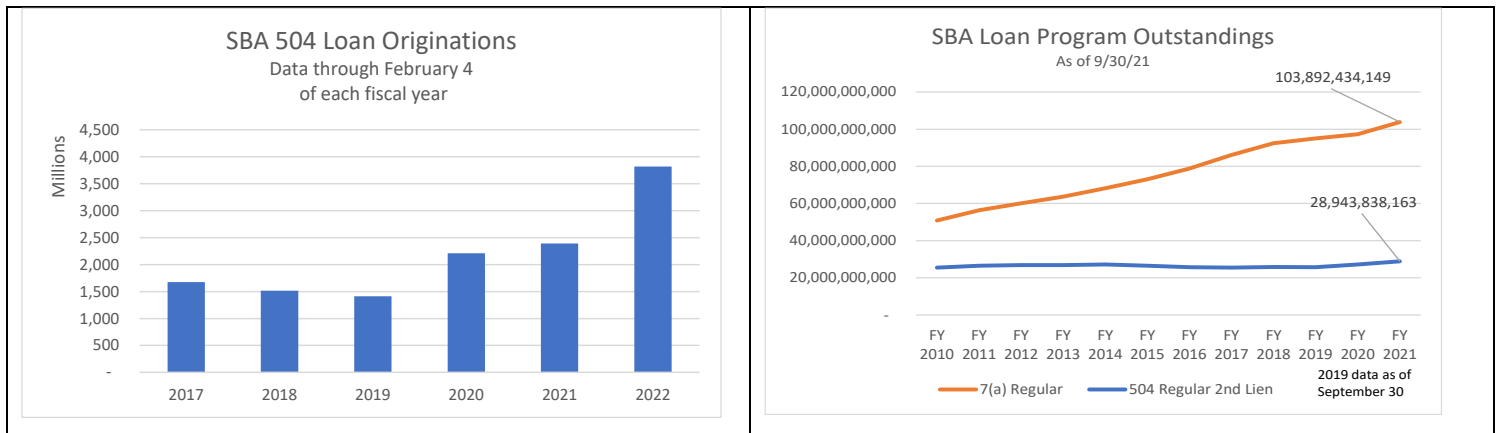
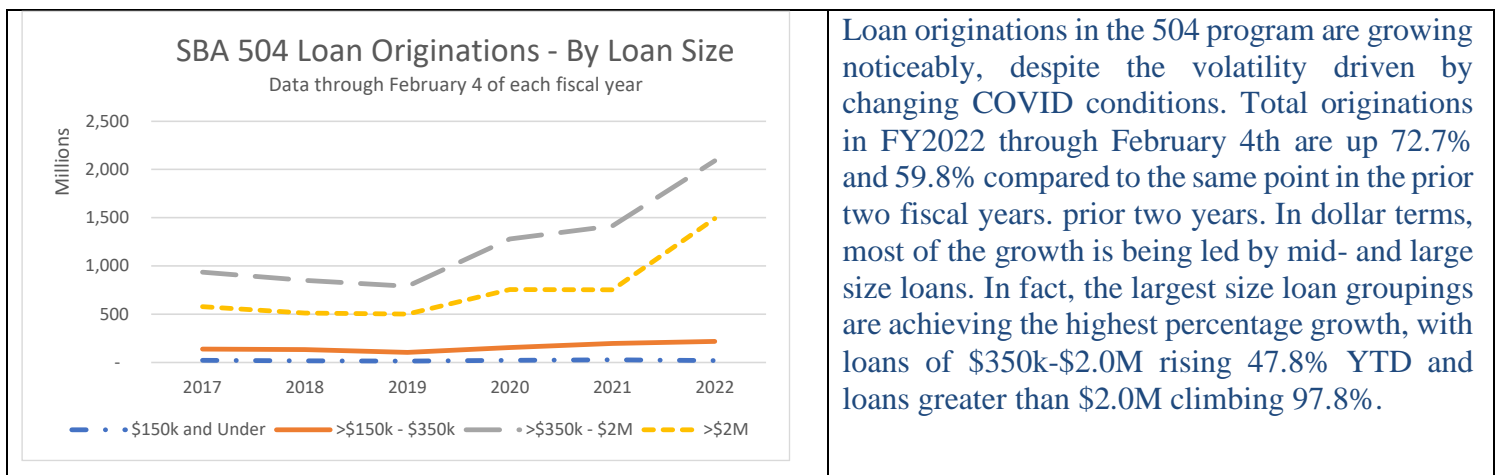


SBA 504 loan originations continued at a rapid pace in January. Eighteen weeks into the new fiscal year (started October 1<sup>st</sup>), 504 loan originations are up 59.8% compared to the same period a year ago. This is not due to COVID slowdowns in the prior year. Originations this year are up 72.7% compared to the same period two years ago, which was pre-COVID. Originations were up 65.6% from the prior year one month ago, so while slowing, this is still exceptional growth. Unpaid Principal Balance of SBA 504 loans 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, but they have accelerated recently and are now up 5.3% decline compared to the same period the previous year, much better than a month ago, when originations were down 11.3% compared to the same period 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.



## News Blurb(s) of the Month – Crypto, CRA, data sharing: Bank regulators’ ambitious priorities for 2022, Brendan Pedersen, Kate Berry, Laura Alix, American Banker

**January 27, 2022** – A complicated reform years in the making, the effort to modernize the Community Reinvestment Act has been bumpy. Under the Trump administration, former Comptroller Joseph Otting led the push to update the anti-redlining law that directs banks to provide a certain amount of lending, investment and services in low-to-moderate income communities.

<https://www.americanbanker.com/list/crypto-cra-data-sharing-bank-regulators-ambitious-priorities-for-2022>

Top SBA 504 Lenders				
	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Dec. 31, 2021)	Volume (\$Millions)
<b>CDCs</b>	Mortgage Capital Development C	\$448.8	Mortgage Capital Development C	\$207.6
<b>2nd Liens</b>	CDC Small Business Finance Cor	\$440.1	CDC Small Business Finance Cor	\$176.7
	Business Finance Capital	\$427.3	Florida First Capital Finance	\$136.9
	Florida First Capital Finance	\$375.3	Business Finance Capital	\$136.6
	Empire State Certified Develop	\$362.7	Empire State Certified Develop	\$135.8
	Florida Business Development C	\$304.6	Florida Business Development C	\$125.0
	WBD, Inc.	\$270.5	California Statewide Certified	\$88.0
	California Statewide Certified	\$267.9	Mountain West Small Business F	\$83.2
	Mountain West Small Business F	\$264.0	WBD, Inc.	\$77.8
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$66.8
	<b>Total</b>	<b>\$8,218.1</b>	<b>Total</b>	<b>\$2,900.5</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$95.9
<b>TPLs</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	CITY NATIONAL BANK	\$79.9
<b>1st liens</b>	CITY NATIONAL BANK	\$202.9	POPPY BANK	\$76.2
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$74.9
	ONEWEST BANK, A DIVISION OF	\$159.7	BANK OF AMERICA, NATIONAL ASSOCIATION	\$72.2
	ZIONS BANK, A DIVISION OF	\$152.6	ONEWEST BANK, A DIVISION OF	\$61.9
	BANK FIVE NINE	\$136.7	ZIONS BANK, A DIVISION OF	\$52.0
	TD BANK, NATIONAL ASSOCIATION	\$126.7	BANK FIVE NINE	\$48.7
	BANK OF THE WEST	\$117.9	MUFG UNION BANK, NATIONAL ASSOCIATION	\$46.4
	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$111.0	TRUIST BANK D/B/A BRANCH BANKING & TRUST CO	\$42.1
	<b>Total</b>	<b>\$10,710.4</b>	<b>Total</b>	<b>\$3,873.3</b>

Top States for SBA 504 Loan Approvals				
	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Dec. 31, 2021)	
CA	\$1,936,220,000	CA	\$713,310,000	
FL	\$658,573,000	FL	\$260,113,000	
TX	\$406,503,000	TX	\$138,980,000	
IL	\$346,816,000	IL	\$121,224,000	
NY	\$329,880,000	UT	\$113,173,000	
UT	\$313,330,000	NY	\$109,811,000	
WI	\$297,781,000	AZ	\$98,228,000	
MN	\$281,289,000	MN	\$94,822,000	
CO	\$238,617,000	WI	\$86,922,000	
GA	\$209,152,000	GA	\$81,172,000	
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)	0.03%	0.04%	-0.01%	0.06%	0.05%	2.44%
3m US T-Bill (BEY)	0.36%	0.11%	0.25%	0.05%	0.05%	2.45%
6m US T-Bill (BEY)	0.71%	0.28%	0.43%	0.07%	0.06%	2.51%
1y US T-Bill	1.07%	0.46%	0.61%	0.17%	0.07%	2.55%
2y US T-Note	1.50%	0.90%	0.60%	0.51%	0.11%	2.48%
3y US T-Note	1.71%	1.22%	0.49%	0.83%	0.19%	2.47%
5y US T-Note	1.84%	1.51%	0.33%	1.23%	0.46%	2.47%
10y US T-Note	1.92%	1.75%	0.17%	1.56%	1.16%	2.65%
20y US T-Bond	2.30%	2.13%	0.17%	1.96%	1.77%	2.85%
30y US T-Bond	2.24%	2.08%	0.16%	1.92%	1.94%	3.00%
Federal Funds	0.08%	0.08%	0.00%	0.08%	0.08%	NA
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	0.25%	3.00%
Prime Rate	3.25%	3.25%	0.00%	3.25%	3.25%	5.50%
TED Spread	0.15%	0.13%	0.01%	0.10%	0.15%	NA
<b>Swap Rates</b>						
2 Year Swap	1.78%	1.10%	0.68%	0.74%	0.20%	2.61%
5 Year Swap	2.04%	1.62%	0.43%	1.31%	0.58%	2.56%
10 Year Swap	2.12%	1.84%	0.29%	1.58%	1.22%	2.68%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	3.07%	3.07%	0.00%	2.79%	2.44%	4.65%
20 Yr	3.45%	3.07%	0.38%	2.78%	2.71%	4.64%
25 Yr	3.59%	3.21%	0.38%	2.92%	2.75%	4.77%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	3.00%	2.88%	0.12%	2.35%	2.27%	3.90%
10 Yr Variable	3.24%	3.00%	0.24%	2.93%	3.24%	4.58%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.03%	0.03%	0.00%	0.03%	0.04%	0.12%
3 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.06%	0.07%	0.20%
6 Mon. CD - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.10%	0.36%
1 Yr CD - Non Jumbo	0.13%	0.13%	0.00%	0.14%	0.15%	0.63%
2 Yr CD - Non Jumbo	0.17%	0.17%	0.00%	0.17%	0.20%	0.83%
3 Yr CD - Non Jumbo	0.21%	0.21%	0.00%	0.20%	0.24%	0.97%
Savings	0.06%	0.06%	0.00%	0.06%	0.05%	0.09%
Checking	0.03%	0.03%	0.00%	0.03%	0.04%	0.06%
Money Market - Non Jumbo	0.08%	0.07%	0.01%	0.08%	0.07%	0.17%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	0.05%	0.05%	0.00%	0.05%	0.10%	2.45%
FHLB Fixed Advances (30 day, < \$15m)	0.42%	0.33%	0.09%	0.31%	0.32%	2.62%

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