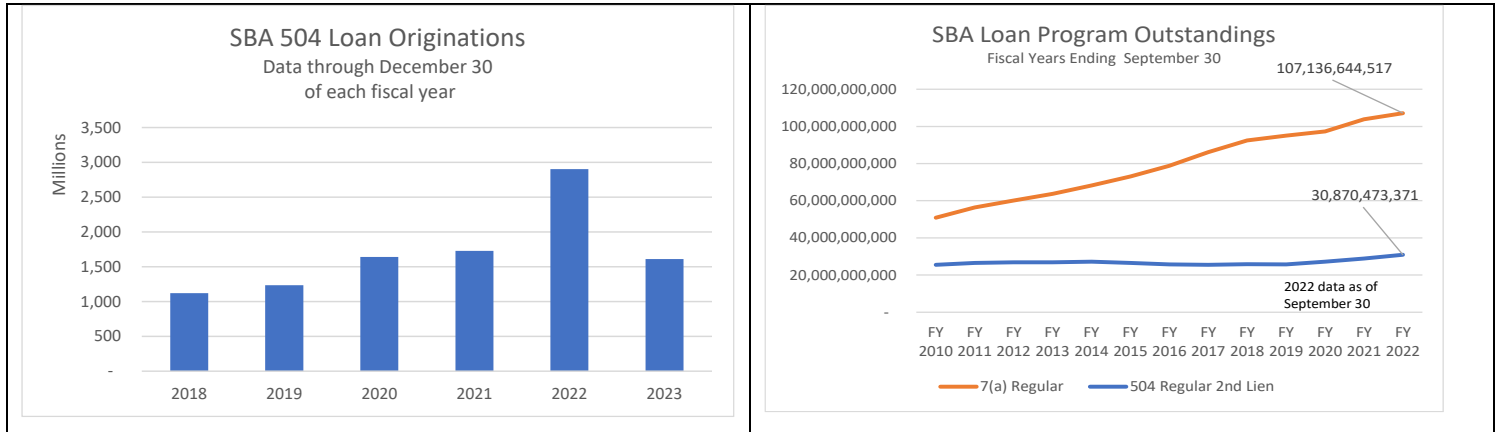
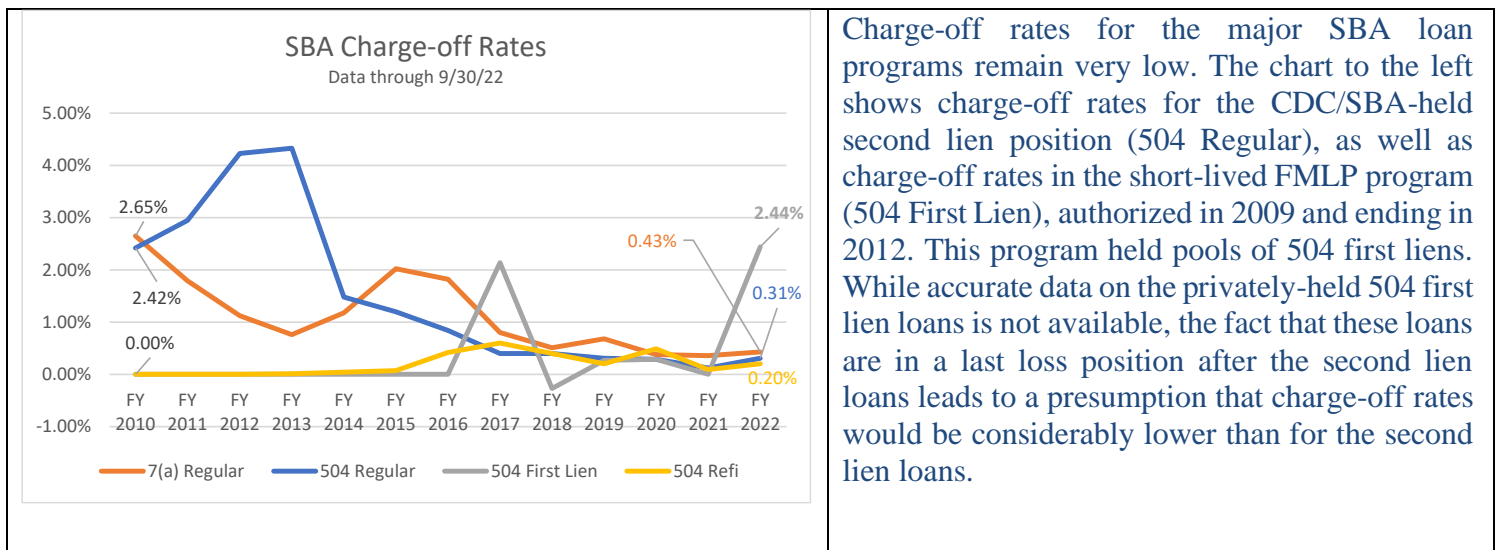


Loan originations under the 504 loan program are proceeding at a considerably slower pace in this year than the blistering start of the SBA’s fiscal year 2022. Still, originations, are comparable to other recent years, while far below the pace set at the start of last year. 504 loan originations are down 44.5% compared to FY2022, though they are down just 6.8% compared to the same period on FY2021. We believe this slowdown is primarily due to the rapidly rising interest rate environment and fears of a recession. Unpaid Principal Balance of SBA 504 loans stood at \$30.87 billion as of September 30, 2022, up 6.7% compared to the \$28.94 billion figure at year-end FY2021. Unlike SBA 504 loans, SBA 7(a) loan originations are doing quite well so far in FY2023. In fact, 7(a) loans have jumped 52.5% compared to the previous year. The unpaid principal balance of 7(a) loans is \$107.14 billion at September 30, 2022, up 3.1% compared to year-end FY2021.



The 7(a) program has shown steady growth in loan outstandings in recent years that continued through the end of FY2022 (3.1% in FY2022, 6.8% in FY2021, and 2.3% in FY2020). 504 loans have shown accelerating growth, rising 6.7% to \$30.9 billion at year-end FY2022, 6.4% in FY2021, and 5.5% in FY2020. 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 roughly 50% of 504 projects, The total for SBA 504 loan outstandings (1st and 2nd liens combined) would be somewhere in the neighborhood of \$69 billion, still below 7(a) totals, but equal to approximately 65% of the 7(a) balance.



News Blurb(s) of the Month — Explanation of the Community Reinvestment Act Asset-Size Threshold Change, FFIEC

January 1, 2023 – For Federal Deposit Insurance Corporation (FDIC)- and Federal Reserve-supervised financial institutions subject to CRA requirements, "small bank" means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.503 billion.

https://www.ffiec.gov/cra/pdf/2023_Asset_Size_Threshold.pdf

Top SBA 504 Lenders				
	FY2021 (Through Sep. 30, 2021)	Volume (\$Millions)	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)
CDCs	Mortgage Capital Development C	\$448.8	Mortgage Capital Development C	\$583.2
2nd Liens	CDC Small Business Finance Cor	\$440.1	CDC Small Business Finance Cor	\$587.1
	Business Finance Capital	\$427.3	Business Finance Capital	\$414.0
	Florida First Capital Finance	\$375.3	Empire State Certified Develop	\$425.1
	Empire State Certified Develop	\$362.7	Florida First Capital Finance	\$372.8
	Florida Business Development C	\$304.6	Florida Business Development C	\$413.1
	WBD, Inc.	\$270.5	California Statewide Certified	\$289.0
	California Statewide Certified	\$267.9	Mountain West Small Business F	\$287.0
	Mountain West Small Business F	\$264.0	WBD, Inc.	\$270.1
	Small Business Growth Corporat	\$245.2	Small Business Growth Corporat	\$256.1
	Total	\$8,218.1	Total	\$9,145.0
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$417.2	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$366.4
TPLs	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$231.6	BANK FIVE NINE	\$261.0
1st Liens	CITY NATIONAL BANK	\$202.9	BANK OF AMERICA, NATIONAL ASSOCIATION	\$243.5
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$193.7	CITY NATIONAL BANK	\$195.1
	ZIONS BANK, A DIVISION OF	\$152.6	ZIONS BANK, A DIVISION OF	\$188.9
	BANK FIVE NINE	\$136.7	POPPY BANK	\$182.5
	TD BANK, NATIONAL ASSOCIATION	\$126.7	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$179.9
	BANK OF THE WEST	\$117.9	MUFG UNION BANK, NATIONAL ASSOCIATION	\$156.1
	TRUIST BANK	\$111.0	FIRST CITIZENS BANK	\$117.0
	FIRST-CITIZENS BANK & TRUST COMPANY	\$92.3	HARVEST COMMERCIAL CAPITAL, LLC	\$112.7
	Total	\$10,707.7	Total	\$12,134.1

Top States for SBA 504 Loan Approvals				
	FY2021 (Through Sep. 30, 2021)		FY2022 (Through Sep. 30, 2022)	
CA	\$1,936,220,000	CA	\$2,213,255,000	
FL	658,573,000	FL	728,313,000	
TX	406,503,000	TX	489,203,000	
IL	346,816,000	IL	427,936,000	
NY	329,880,000	NY	393,112,000	
UT	313,330,000	UT	366,160,000	
WI	297,781,000	MN	325,529,000	
MN	281,289,000	WI	287,098,000	
CO	238,617,000	GA	265,220,000	
GA	209,152,000	AZ	255,054,000	
Source: SBA			SBA Fiscal Years end on September 30	

About

Equaliz

Development Fund (EQCDX) 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)	4.37%	3.81%	0.56%	3.03%	0.05%	1.53%
3m US T-Bill (BEY)	4.70%	4.31%	0.39%	3.45%	0.10%	1.54%
6m US T-Bill (BEY)	4.83%	4.72%	0.11%	4.09%	0.24%	1.56%
1y US T-Bill	4.69%	4.72%	-0.03%	4.24%	0.43%	1.54%
2y US T-Note	4.19%	4.33%	-0.14%	4.30%	0.87%	1.58%
3y US T-Note	3.93%	4.07%	-0.14%	4.33%	1.17%	1.59%
5y US T-Note	3.66%	3.75%	-0.09%	4.14%	1.50%	1.65%
10y US T-Note	3.53%	3.57%	-0.04%	3.89%	1.76%	1.85%
20y US T-Bond	3.83%	3.82%	0.01%	4.13%	2.15%	2.17%
30y US T-Bond	3.66%	3.56%	0.10%	3.86%	2.11%	2.38%
Federal Funds	4.33%	3.83%	0.50%	3.08%	0.08%	1.55%
Fed Discount Rate	4.50%	4.00%	0.50%	3.25%	0.25%	2.25%
Prime Rate	7.50%	7.00%	0.50%	6.25%	3.25%	4.75%
TED Spread	0.08%	0.42%	-0.34%	0.46%	0.14%	0.31%
Swap Rates						
2 Year Swap	4.72%	4.79%	-0.07%	4.74%	1.15%	1.69%
5 Year Swap	3.92%	3.95%	-0.03%	4.31%	1.76%	1.69%
10 Year Swap	3.74%	3.70%	0.04%	4.05%	2.01%	1.84%
SBA 504 2nd Lien Loan Rates						
10 Yr	6.43%	6.53%	-0.10%	5.60%	3.07%	3.79%
20 Yr	6.28%	6.03%	0.25%	6.36%	3.07%	3.64%
25 Yr	6.31%	6.11%	0.20%	6.44%	3.21%	3.71%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	5.48%	5.42%	0.06%	6.06%	2.51%	3.26%
10 Yr Variable	6.14%	6.12%	0.02%	5.77%	2.91%	3.96%
Depository Rates						
1 Mon. CD - Non Jumbo	0.13%	0.10%	0.03%	0.07%	0.03%	0.10%
3 Mon. CD - Non Jumbo	0.45%	0.32%	0.13%	0.15%	0.06%	0.19%
6 Mon. CD - Non Jumbo	0.65%	0.52%	0.13%	0.34%	0.09%	0.34%
1 Yr CD - Non Jumbo	1.07%	0.90%	0.17%	0.60%	0.13%	0.49%
2 Yr CD - Non Jumbo	1.06%	0.91%	0.15%	0.64%	0.17%	0.63%
3 Yr CD - Non Jumbo	1.02%	0.90%	0.12%	0.66%	0.21%	0.75%
Savings	0.30%	0.24%	0.06%	0.17%	0.06%	0.09%
Checking	0.05%	0.04%	0.01%	0.04%	0.03%	0.05%
Money Market - Non Jumbo	0.38%	0.29%	0.09%	0.18%	0.07%	0.15%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	4.31%	3.80%	0.51%	3.05%	0.05%	1.55%
FHLB Fixed Advances (30 day, < \$15m)	4.67%	4.39%	0.28%	3.47%	0.33%	1.78%

About Us

Equalize Capital LLC is an SEC-registered investment adviser that provides investment management services to the Equalize Community Development Fund (EQCDX) and is responsible for the management of the Fund's portfolio of investments.