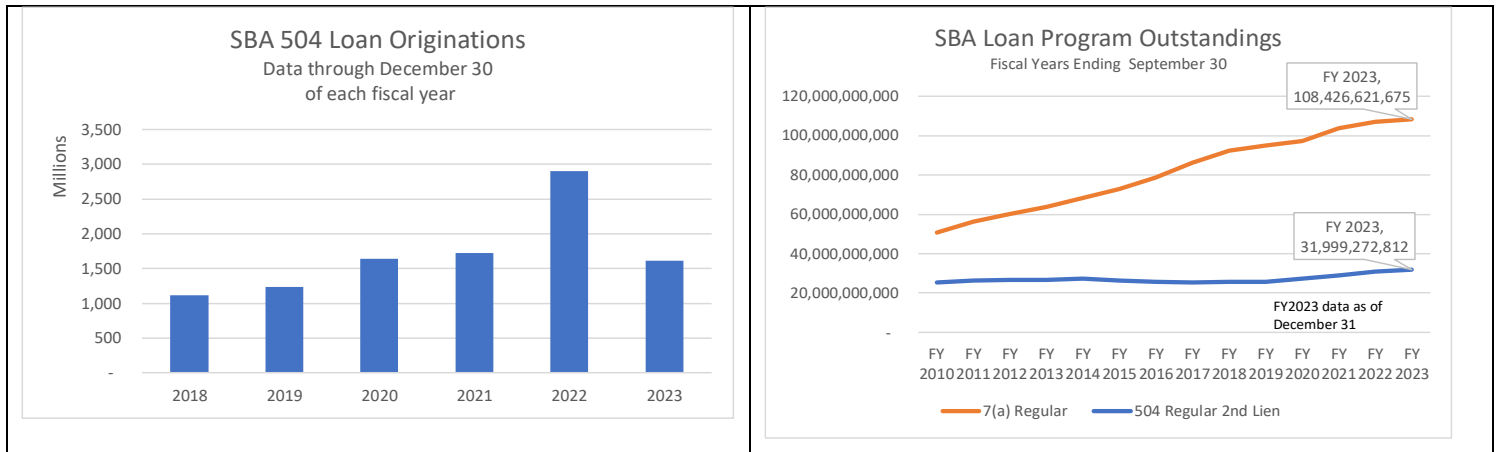
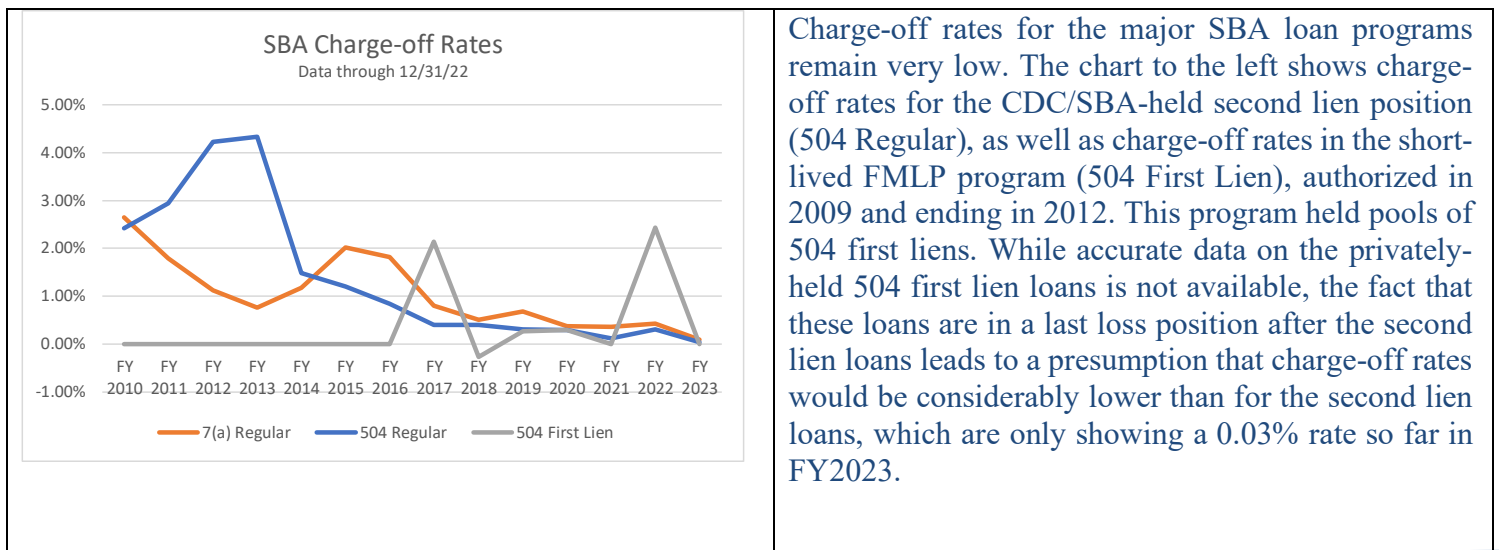


The SBA has not updated their weekly lending reports for any periods in 2023 so far, but as we reported last month, loan originations under the 504 loan program are proceeding at a considerably slower pace in this fiscal year than in FY2022. Still, originations, are comparable to other recent years. Through December 30, 2022, 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 \$32.00 billion as of December 31, 2022, up 3.7% compared to the \$30.87 billion figure at year-end FY2022. 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 \$108.43 billion at December 31, 2022, up 1.2% compared to year-end FY2022.



The 7(a) program has shown steady growth in loan outstandings in recent years that continued into FY2023 (up 1.2% year-to-date in FY2023, 3.1% in FY2022, and 6.8% in FY2021). 504 loans have shown accelerating growth, rising 3.7% year-to-date in FY2023, 6.7% to \$30.9 billion at year-end FY2022, and 6.4% in FY2021. 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 \$72 billion, still below 7(a) totals, but equal to approximately 67% of the 7(a) balance.



News Blurb(s) of the Month — Banks face avalanche of data demands ahead of CRA, CFPB final rules, Miriam Cross, American Banker

February 7, 2023 – The Community Reinvestment Act is on the brink of substantial reform, with a final rule expected soon and a proposed 12-month implementation period to follow. A final rule from the Consumer Financial Protection Bureau to implement section 1071 of the Dodd-Frank Act, governing the collection and reporting of small-business lending data, has a deadline of March 31.

<https://www.americanbanker.com/news/banks-face-avalanche-of-data-needs-ahead-of-cra-cfpb-final-rules>

Top SBA 504 Lenders

	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)	FY2023 (Through Dec. 31, 2022)	Volume (\$Millions)
CDCs	CDC Small Business Finance Cor	\$592.3	Florida Business Development C	\$105.3
2nd Liens	Mortgage Capital Development C	\$586.6	Mortgage Capital Development C	\$98.4
	Empire State Certified Develop	\$426.6	Empire State Certified Develop	\$86.5
	Florida Business Development C	\$419.1	Business Finance Capital	\$84.4
	Business Finance Capital	\$414.0	CDC Small Business Finance Cor	\$78.1
	Florida First Capital Finance	\$372.8	Florida First Capital Finance	\$61.3
	California Statewide Certified	\$301.7	Small Business Growth Corporat	\$59.7
	Mountain West Small Business F	\$292.0	California Statewide Certified	\$49.4
	WBD, Inc.	\$270.1	Mountain West Small Business F	\$46.9
	Small Business Growth Corporat	\$259.4	WBD, Inc.	\$42.3
	Total	\$9,208.0	Total	\$1,611.4
Banks/	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$370.0	BANK FIVE NINE	\$71.3
TPLs	BANK FIVE NINE	\$261.6	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$60.9
1st liens	BANK OF AMERICA, NATIONAL ASSOCIATION	\$247.0	POPPY BANK	\$59.5
	CITY NATIONAL BANK	\$197.2	BANK OF AMERICA, NATIONAL ASSOCIATION	\$54.3
	ZIONS BANK, A DIVISION OF	\$189.6	FIRST CITIZENS BANK	\$46.5
	POPPY BANK	\$182.5	CITY NATIONAL BANK	\$39.7
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$180.4	ZIONS BANK, A DIVISION OF	\$37.0
	MUFG UNION BANK, NATIONAL ASSOCIATION	\$159.4	TD BANK, NATIONAL ASSOCIATION	\$33.6
	FIRST CITIZENS BANK	\$117.0	BELL BANK	\$29.5
	HARVEST COMMERCIAL CAPITAL, LLC	\$113.6	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$28.9
	Total	\$12,204.1	Total	\$2,270.6

Top States for SBA 504 Loan Approvals

	FY2022 (Through Sep. 30, 2022)		FY2023 (Through Dec. 31, 2022)
CA	\$2,234,541,000	CA	\$361,920,000
FL	732,352,000	FL	141,716,000
TX	489,889,000	TX	107,080,000
IL	430,463,000	IL	72,915,000
NY	394,153,000	NY	70,596,000
UT	371,026,000	UT	58,838,000
MN	326,931,000	MN	56,863,000
WI	287,098,000	GA	54,302,000
GA	267,306,000	MI	45,420,000
AZ	258,938,000	WI	44,899,000
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 Equalize Community 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)	4.64%	4.60%	0.04%	3.93%	0.06%	1.60%
3m US T-Bill (BEY)	4.84%	4.71%	0.13%	4.32%	0.36%	1.58%
6m US T-Bill (BEY)	4.99%	4.82%	0.17%	4.57%	0.65%	1.56%
1y US T-Bill	5.00%	4.67%	0.33%	4.68%	1.05%	1.49%
2y US T-Note	4.60%	4.18%	0.42%	4.43%	1.49%	1.42%
3y US T-Note	4.33%	3.86%	0.47%	4.22%	1.70%	1.40%
5y US T-Note	4.03%	3.60%	0.43%	3.93%	1.85%	1.42%
10y US T-Note	3.82%	3.53%	0.29%	3.77%	1.97%	1.59%
20y US T-Bond	4.01%	3.81%	0.20%	4.10%	2.35%	1.89%
30y US T-Bond	3.88%	3.64%	0.24%	3.89%	2.31%	2.04%
Federal Funds	4.58%	4.33%	0.25%	3.83%	0.08%	1.58%
Fed Discount Rate	4.75%	4.50%	0.25%	4.00%	0.25%	2.25%
Prime Rate	7.75%	7.50%	0.25%	7.00%	3.25%	4.75%
TED Spread	0.06%	0.12%	-0.06%	0.35%	0.11%	0.11%
Swap Rates						
2 Year Swap	5.11%	4.62%	0.49%	4.96%	1.76%	1.52%
5 Year Swap	4.28%	3.80%	0.48%	4.16%	2.05%	1.48%
10 Year Swap	4.02%	3.63%	0.38%	3.92%	2.18%	1.61%
SBA 504 2nd Lien Loan Rates						
10 Yr	6.43%	6.43%	0.00%	6.53%	3.07%	3.79%
20 Yr	5.98%	6.28%	-0.30%	6.45%	3.45%	3.39%
25 Yr	6.01%	6.31%	-0.30%	6.53%	3.59%	3.46%
Average Prime Rate Offer (APOR) Rates						
10 Yr Fixed	5.51%	5.46%	0.05%	6.12%	3.27%	3.08%
10 Yr Variable	6.24%	6.13%	0.11%	6.11%	3.42%	3.78%
Depository Rates						
1 Mon. CD - Non Jumbo	0.15%	0.13%	0.02%	0.09%	0.03%	0.10%
3 Mon. CD - Non Jumbo	0.57%	0.45%	0.12%	0.19%	0.06%	0.19%
6 Mon. CD - Non Jumbo	0.81%	0.65%	0.16%	0.42%	0.09%	0.33%
1 Yr CD - Non Jumbo	1.28%	1.07%	0.21%	0.71%	0.13%	0.48%
2 Yr CD - Non Jumbo	1.21%	1.06%	0.15%	0.77%	0.17%	0.62%
3 Yr CD - Non Jumbo	1.16%	1.02%	0.14%	0.77%	0.21%	0.74%
Savings	0.33%	0.30%	0.03%	0.21%	0.06%	0.09%
Checking	0.06%	0.05%	0.01%	0.04%	0.03%	0.06%
Money Market - Non Jumbo	0.44%	0.38%	0.06%	0.23%	0.08%	0.16%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	4.55%	4.31%	0.24%	3.81%	0.05%	1.58%
FHLB Fixed Advances (30 day, < \$15m)	4.76%	4.70%	0.06%	4.14%	0.33%	1.84%

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