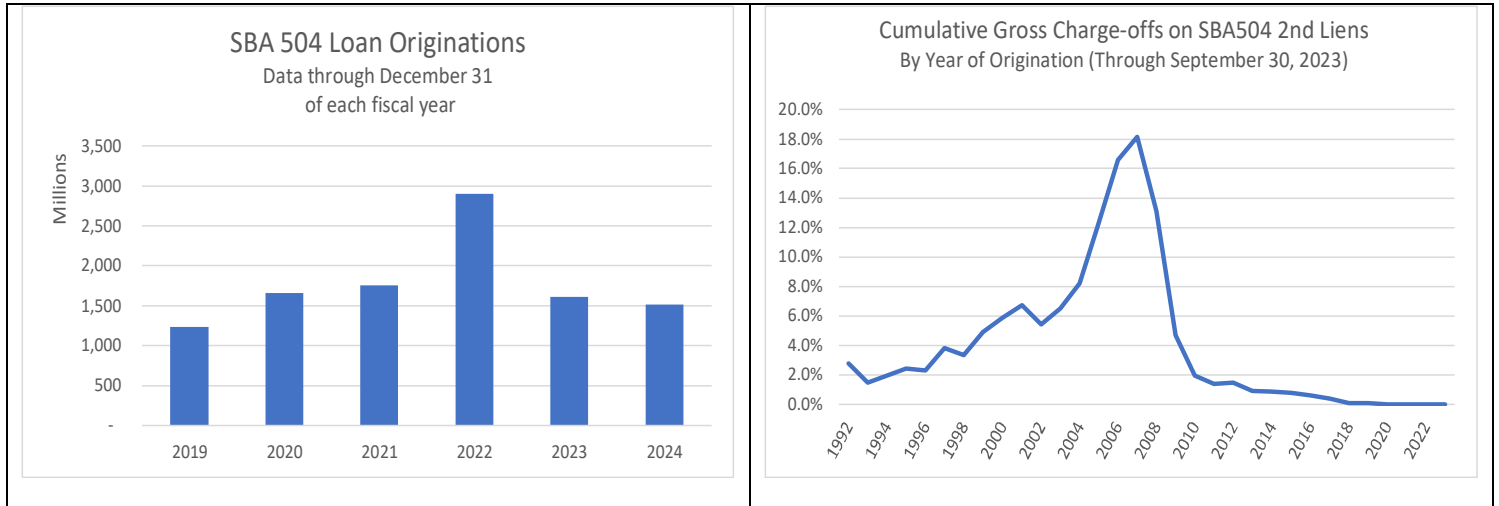
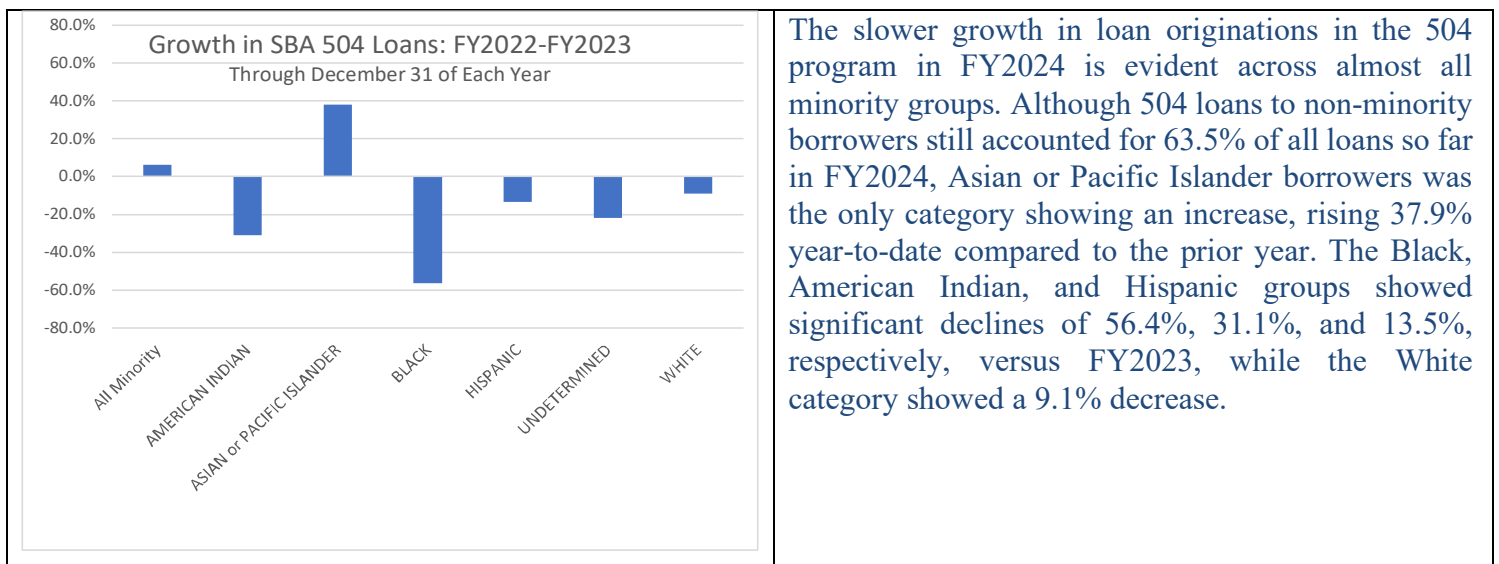


Through the end of December 2023, loan originations under the 504 loan program are down 5.8% compared to the same point in FY2023, which represents a noticeable improvement from the 13.6% decline versus the prior year measured one month ago. Comparisons to recent past years are somewhat misleading, as government lending programs surged during the COVID-19 pandemic. Still, the current year figures are down, even compared to pre-Covid years, as FY2020 originations were 8.4% higher at the same point in that fiscal year. SBA 7(a) loan originations are not faring as well as 504 originations. Through December 31, 2023, SBA 7(a) originations are down 7.7% compared to the same period in FY2023, losing ground compared to the 4.7% YTD decline we reported a month ago.



The chart to the right above shows cumulative SBA 504 program net charge-offs by year of origination since 1992. The data for this chart only includes the second lien portion held by the SBA/CDC for the projects funded by a 504 loan. Data for the first lien portion, which is held by many different private lenders, is not available. The most noticeable feature of the chart is the steady climb and then the huge spike in net charge-offs as we approached the Great Recession in 2007-2008. This was followed by a sharp drop in net charge-offs, which fell below 1.0% for the 2013 vintage of 504 loan originations and have remained there for every vintage of years since. Cumulative net charge-offs for the years 2018 and 2019 are just 0.1% and for each subsequent year, they are less than 0.1%.



**News Blurb(s) of the Month — Rebooting the Community Reinvestment Act**, Lindsay Sain Jones and Goldburn Maynard Jr., *61 American Business Law Journal*, Forthcoming.

**January 11, 2024** – On October 24, 2023, the banking agencies jointly issued final rules to “strengthen and modernize” the agencies’ CRA regulations. While the updated rules do inject more objectivity in order to address persistent concerns about CRA ratings inflation, we contend that further amendments are needed to account for what has changed and what has not changed since its original enactment.

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4670592](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4670592)

Top SBA 504 Lenders				
	FY2022 (Through Sep. 30, 2022)	Volume (\$Millions)	FY2023 (Through Sep. 30, 2023)	Volume (\$Millions)
<b>CDCs</b>	Mortgage Capital Development C	\$621.7	Mortgage Capital Development C	\$629.1
2nd Liens	CDC Small Business Finance Cor	\$538.9	Florida Business Development C	\$400.5
	Empire State Certified Develop	\$426.6	Florida First Capital Finance	\$336.8
	Florida Business Development C	\$418.8	Empire State Certified Develop	\$291.3
	Business Finance Capital	\$414.0	Business Finance Capital	\$283.2
	Florida First Capital Finance	\$372.8	California Statewide Certified	\$274.2
	California Statewide Certified	\$292.7	Mountain West Small Business F	\$194.4
	Mountain West Small Business F	\$292.0	Small Business Growth Corporat	\$193.8
	WBD, Inc.	\$270.1	Capital Certified Development	\$190.5
	Small Business Growth Corporat	\$259.4	CDC Small Business Finance Cor	\$166.1
	<b>Total</b>	<b>\$9,195.9</b>	<b>Total</b>	<b>\$6,370.6</b>
<b>Banks/</b>	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$434.2	BANK FIVE NINE	\$269.0
<b>TPLs</b>	BANK FIVE NINE	\$261.6	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	\$250.8
1st liens	BANK OF AMERICA, NATIONAL ASSOCIATION	\$247.0	BANK OF AMERICA, NATIONAL ASSOCIATION	\$230.1
	U. S. BANK, NATIONAL ASSOCIATION	\$196.5	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$164.3
	CITY NATIONAL BANK	\$195.1	CELTIC BANK CORPORATION	\$163.8
	ZIONS BANK, A DIVISION OF	\$189.6	POPPY BANK	\$143.1
	POPPY BANK	\$182.5	ZIONS BANK, A DIVISION OF	\$142.2
	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$180.4	CALPRIVATE BANK	\$119.3
	FIRST CITIZENS BANK	\$117.0	U. S. BANK, NATIONAL ASSOCIATION	\$111.7
	HARVEST COMMERCIAL CAPITAL, LLC	\$113.6	HARVEST COMMERCIAL CAPITAL, LLC	\$107.0
	<b>Total</b>	<b>\$12,195.3</b>	<b>Total</b>	<b>\$6,674.5</b>

Top States for SBA 504 Loan Approvals				
	FY2022 (Through Sep. 30, 2022)		FY2023 (Through Sep. 30, 2023)	
CA	\$2,223,939,000	CA	\$1,484,154,000	
FL	732,352,000	FL	669,395,000	
TX	489,889,000	TX	422,159,000	
IL	430,463,000	IL	296,251,000	
NY	394,153,000	NY	236,476,000	
UT	371,026,000	UT	236,340,000	
MN	326,931,000	GA	213,750,000	
WI	287,098,000	AZ	177,218,000	
GA	267,306,000	MA	176,264,000	
AZ	257,976,000	MN	176,239,000	
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)	5.55%	5.53%	0.02%	5.61%	4.57%	0.09%
3m US T-Bill (BEY)	5.45%	5.46%	-0.01%	5.63%	4.66%	0.09%
6m US T-Bill (BEY)	5.16%	5.41%	-0.25%	5.58%	4.76%	0.09%
1y US T-Bill	4.65%	5.14%	-0.49%	5.43%	4.66%	0.11%
2y US T-Note	4.14%	4.73%	-0.59%	5.06%	4.12%	0.14%
3y US T-Note	3.92%	4.42%	-0.50%	4.82%	3.79%	0.23%
5y US T-Note	3.84%	4.23%	-0.39%	4.69%	3.53%	0.50%
10y US T-Note	3.96%	4.20%	-0.24%	4.70%	3.43%	1.15%
20y US T-Bond	4.32%	4.48%	-0.16%	5.05%	3.73%	1.68%
30y US T-Bond	4.20%	4.30%	-0.10%	4.86%	3.56%	1.88%
Federal Funds	5.33%	5.33%	0.00%	5.33%	4.33%	0.09%
Fed Discount Rate	5.50%	5.50%	0.00%	5.50%	4.50%	0.25%
Prime Rate	8.50%	8.50%	0.00%	8.50%	7.50%	3.25%
TED Spread	0.12%	0.17%	-0.06%	0.05%	0.10%	0.14%
<b>Swap Rates</b>						
2 Year Swap	4.45%	4.98%	-0.53%	5.40%	4.61%	0.26%
5 Year Swap	4.00%	4.40%	-0.40%	4.90%	3.79%	0.68%
10 Year Swap	4.01%	4.30%	-0.29%	4.80%	3.64%	1.29%
<b>SBA 504 2nd Lien Loan Rates</b>						
10 Yr	6.53%	7.21%	-0.68%	6.94%	6.43%	2.44%
20 Yr	6.42%	6.61%	-0.19%	7.18%	6.28%	2.65%
25 Yr	6.36%	6.60%	-0.24%	7.13%	6.31%	2.69%
<b>Average Prime Rate Offer (APOR) Rates</b>						
10 Yr Fixed	6.33%	7.04%	-0.71%	7.03%	5.89%	2.24%
10 Yr Variable	6.54%	7.24%	-0.70%	7.37%	6.14%	3.17%
<b>Depository Rates</b>						
1 Mon. CD - Non Jumbo	0.23%	0.23%	0.00%	0.21%	0.13%	0.04%
3 Mon. CD - Non Jumbo	1.64%	1.62%	0.02%	1.37%	0.45%	0.07%
6 Mon. CD - Non Jumbo	1.49%	1.43%	0.06%	1.36%	0.65%	0.11%
1 Yr CD - Non Jumbo	1.86%	1.85%	0.01%	1.76%	1.07%	0.16%
2 Yr CD - Non Jumbo	1.57%	1.55%	0.02%	1.51%	1.06%	0.21%
3 Yr CD - Non Jumbo	1.41%	1.39%	0.02%	1.38%	1.02%	0.25%
Savings	0.46%	0.46%	0.00%	0.45%	0.30%	0.05%
Checking	0.07%	0.07%	0.00%	0.07%	0.05%	0.04%
Money Market - Non Jumbo	0.64%	0.63%	0.01%	0.65%	0.38%	0.07%
<b>Regulatory &amp; Interbank Rates</b>						
Secured Overnight Financing Rate (SOFR)	5.31%	5.32%	-0.01%	5.31%	4.30%	0.09%
CME Term SOFR 3M	5.33%	5.37%	-0.04%	5.43%	4.63%	0.07%
FHLB Fixed Advances (30 day, < \$15m)	5.54%	5.49%	0.05%	5.56%	4.68%	0.36%

## About Us

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