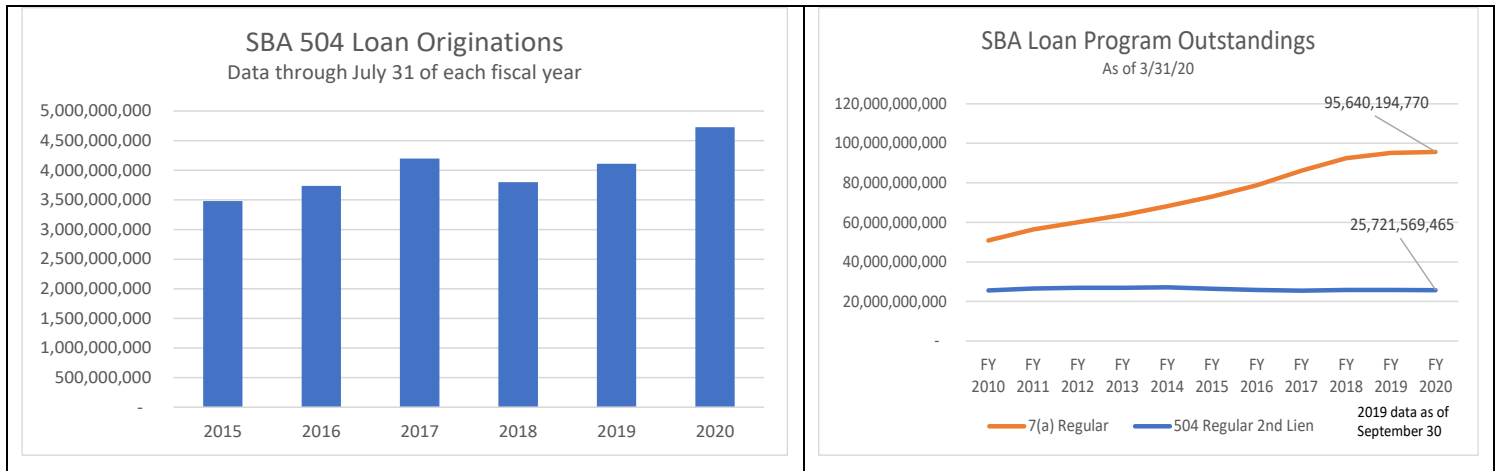
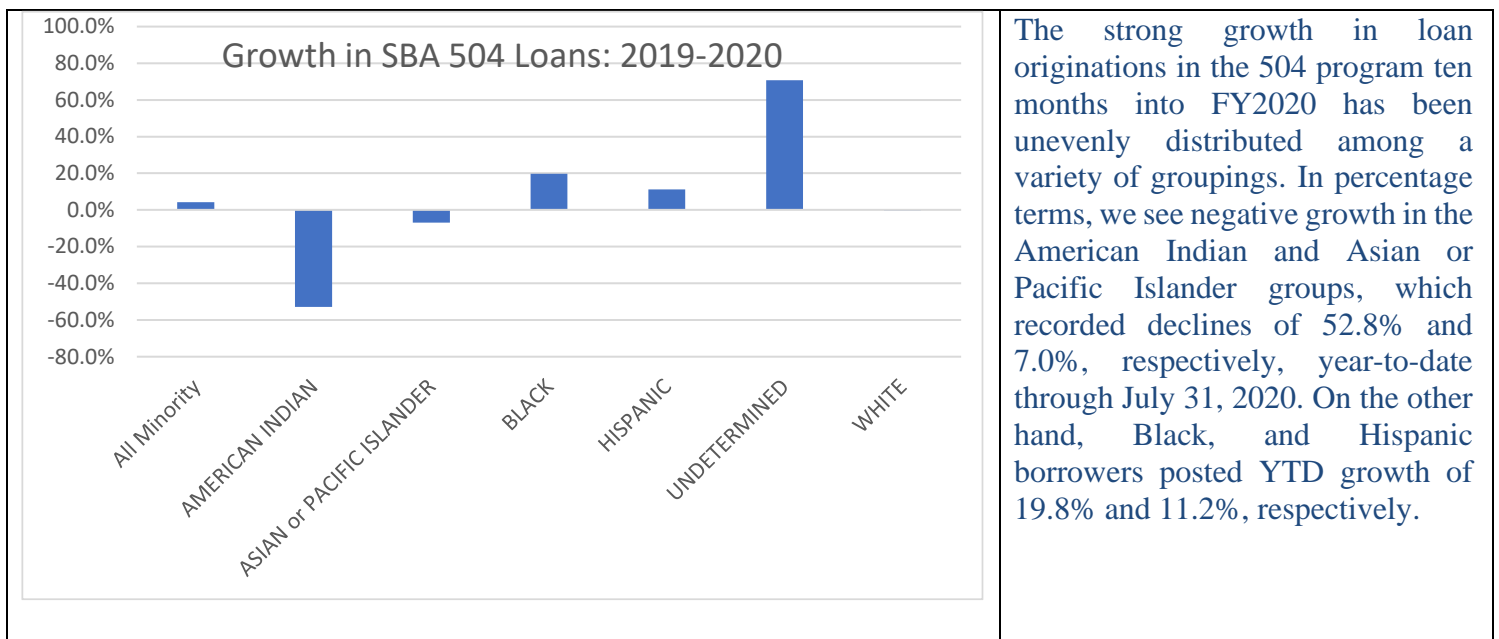


SBA 504 loan origination growth seems to have stabilized after slowdowns due partly to reduced economic activity and partly to the significant efforts expended for the PPP and EIDL programs. Through July 31, 2020, SBA 504 loan originations were up 15.0% compared to the prior year, reaching \$4.73 billion year-to-date in FY2020 versus \$4.11 billion during the same period in FY2019. Through July 3, 2020, SBA 504 loan originations were up 14.9% compared to the prior year. The unpaid principal balance of outstanding 504 loans stood at \$25.72 billion as of March 31, 2020, down 0.2% compared to the \$25.83 billion figure at year-end FY2019. SBA 7(a) loan originations are down 12.5% through July 31, 2020 compared to the same period in 2019 and the unpaid principal balance of 7(a) loans is \$95.64 billion at March 31, 2020, up 0.6% compared to year-end FY2019.



While 7(a) loan outstandings were still growing at solid pace through the end of FY2019 (2.9% in FY2019 and 7.2% in FY2018), 504 loans have remained in a fairly tight range between \$25 billion and \$27 billion over the last nine years. Of course, the published 504 loan figures in the chart above includes only the CDC/SBA second lien portion of a 504 loan package, which typically amounts to roughly 40% of the financing. If the first lien loan and borrower investment were included, the 504 loan totals would be closer to 7(a) loan totals.



The strong growth in loan originations in the 504 program ten months into FY2020 has been unevenly distributed among a variety of groupings. In percentage terms, we see negative growth in the American Indian and Asian or Pacific Islander groups, which recorded declines of 52.8% and 7.0%, respectively, year-to-date through July 31, 2020. On the other hand, Black, and Hispanic borrowers posted YTD growth of 19.8% and 11.2%, respectively.

News Blurb of the Week – Community Development Found to be Largest Value of CRA, Krista F. Brock, DSNews

July 9, 2020 – Community development and single-family mortgage lending account for the greatest dollar volume of lending that qualifies under the Community Reinvestment Act (CRA), according to analysis from the Urban Institute’s Housing Finance Policy Center.

<https://dsnews.com/daily-dose/07-15-2020/community-development-found-to-be-largest-value-of-cra>

Though the SBA continues to offer loans to businesses through its 7(a) and 504 loan programs, as well as other loan programs, the focus at the agency, legislators, and the general public has been on the programs that are geared toward alleviating some of the pain caused by the COVID-19 pandemic and the associated shutdown of many non-essential businesses. The primary programs being used to offset the economic impact of the pandemic are the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program.

Paycheck Protection Program Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

The SBA will forgive loans if loan proceeds are used for payroll, rent, mortgage interest, or utilities over the 24-weeks after loan disbursement, with 60% going to payroll.

Economic Injury Disaster Loan and Advance

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories were able to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This loan advance will not have to be repaid. **SBA will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to U.S. agricultural businesses.**

The new eligibility is made possible as a result of the latest round of funds appropriated by Congress in response to the COVID-19 pandemic.

- Agricultural businesses include those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).
- SBA is encouraging all eligible agricultural businesses with 500 or fewer employees wishing to apply to begin preparing their business financial information needed for their application.

At this time, only agricultural business applications will be accepted due to limitations in funding availability and the unprecedented submission of applications already received.

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State	PPP Loans Through 7/17/2020	
	Approved Loans	Approved Dollars
AK	11,292	1,269,252,925
AL	66,782	6,177,310,842
AR	42,707	3,310,044,457
AS	257	10,896,458
AZ	82,037	8,588,509,562
CA	590,512	67,585,019,038
CO	105,260	10,320,559,943
CT	61,759	6,660,241,934
DC	12,687	2,120,933,495
DE	12,645	1,495,648,158
FL	400,241	31,607,602,457
GA	160,449	14,363,437,728
GU	2,166	191,498,467
HI	24,671	2,464,885,408
IA	59,100	5,091,039,492
ID	30,354	2,580,741,248
IL	205,280	22,367,299,330
IN	79,812	9,458,041,385
KS	52,329	5,005,532,435
KY	48,856	5,244,619,499
LA	74,917	7,353,669,015
MA	114,025	14,199,740,606
MD	82,555	9,942,533,463
ME	27,462	2,244,521,700
MI	122,415	15,858,455,385
MN	98,900	11,178,508,074
MO	92,364	9,125,029,451
MP	476	38,701,183
MS	46,365	3,161,674,513
MT	23,250	1,764,330,241
NC	123,523	12,143,358,511
ND	19,907	1,766,402,653
NE	42,875	3,423,607,702
NH	24,052	2,546,527,036
NJ	149,630	17,129,704,802
NM	22,105	2,239,344,960
NV	42,890	4,128,222,200
NY	329,145	38,174,153,011
OH	141,748	18,316,809,674
OK	64,840	5,442,547,791
OR	63,529	6,961,326,243
PA	167,342	20,544,205,736
PR	38,206	1,801,336,864
RI	17,275	1,872,848,917
SC	63,930	5,708,274,426
SD	22,707	1,673,785,670
TN	94,556	8,879,690,494
TX	395,240	40,793,515,720
UT	51,035	5,227,567,611
VA	110,477	12,485,210,180
VI	1,909	124,389,979
VT	12,021	1,190,186,040
WA	102,509	12,306,902,505
WI	86,372	9,838,585,829
WV	17,450	1,779,831,908
WY	13,312	1,043,031,490
To be confirmed	139	6,057,463
Totals	4,950,649	518,327,703,307

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State	EIDL Loans as of 7/27/20		EIDL Advance Loans as of 7/15/20	
	Total EIDL		Total EIDL Advances	
	Approved Loans	Approved Dollars	Approved Loans	Approved Dollars
AK	6,707	402,339,900	10,389	32,751,000
AL	36,387	1,689,213,530	72,302	262,585,000
AR	17,520	872,554,819	35,531	125,169,000
AZ	50,130	2,743,289,012	93,559	328,826,000
CA	469,484	29,697,072,596	809,792	2,666,662,000
CO	47,834	2,780,780,248	87,334	267,687,000
CT	29,129	1,807,692,500	52,259	166,382,000
DE	7,640	429,415,400	14,491	50,684,000
FL	351,220	16,261,683,635	706,377	2,053,275,000
GA	140,764	6,303,111,954	287,584	1,112,710,000
HI	16,382	895,936,600	28,476	83,176,000
IA	14,296	884,430,850	30,040	97,215,000
ID	10,605	594,510,800	19,893	60,992,000
IL	116,417	5,859,142,373	314,582	1,639,825,000
IN	32,862	1,707,728,405	73,852	309,240,000
KS	15,919	932,306,249	31,799	99,753,000
KY	20,639	1,092,997,400	43,109	140,977,000
LA	55,425	2,740,168,500	105,600	386,521,000
MA	50,138	3,037,365,300	96,643	311,537,000
MD	51,551	2,794,778,800	95,733	328,907,000
ME	9,200	533,626,900	17,084	53,195,000
MI	68,916	3,759,115,037	126,939	484,201,000
MN	35,107	2,031,308,341	72,623	251,712,000
MO	34,641	1,794,450,000	72,448	251,851,000
MS	24,802	1,074,307,601	49,239	187,642,000
MT	8,825	486,895,100	17,234	51,221,000
NC	74,531	3,655,786,212	140,568	469,836,000
ND	5,128	333,011,300	10,702	33,214,000
NE	12,205	725,524,444	26,793	79,231,000
NH	9,681	598,696,850	17,534	58,871,000
NJ	98,089	5,975,104,204	180,450	578,757,000
NM	12,421	685,258,923	21,625	71,000,000
NV	32,466	1,827,663,280	62,116	216,039,000
NY	242,568	14,399,786,223	453,924	1,335,770,000
OH	66,674	3,458,857,470	129,501	479,911,000
OK	27,152	1,496,880,242	52,002	161,227,000
OR	33,116	1,870,749,340	57,712	183,403,000
PA	80,384	4,360,535,581	164,514	575,458,000
RI	8,593	477,257,300	16,262	50,062,000
SC	38,675	1,846,450,346	73,846	253,206,000
SD	6,604	402,863,195	14,061	40,952,000
TN	44,281	2,162,223,154	93,272	356,592,000
TX	256,344	13,980,077,028	518,484	1,949,021,000
UT	19,393	1,227,070,858	34,150	112,587,000
VA	60,239	3,380,110,966	114,577	381,574,000
VT	5,566	310,042,210	11,425	35,587,000
WA	55,768	3,433,219,653	96,247	308,540,000
WI	32,052	1,671,336,900	67,062	252,610,000
WV	6,635	363,016,900	12,552	41,445,000
WY	4,476	269,395,200	9,060	27,899,000
AS	132	8,622,000	204	1,175,000
DC	7,837	509,562,099	14,524	57,341,000
GU	1,224	72,315,000	1,529	6,308,000
MP	248	15,646,100	274	1,337,000
PR	18,816	1,013,289,800	19,679	69,844,000
VI	1,448	81,837,400	1,829	6,507,000
To be confirmed	-	-	-	-
Totals	2,985,286	163,818,412,028	5,781,390	20,000,000,000

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Top SBA 504 Lenders				
	FY2019		FY2020 March YTD	
CDCs	Mortgage Capital Development Corporation		Florida First Capital Finance Corporation, Inc.	
2nd Liens	CDC Small Business Finance Corporation		CDC Small Business Finance Corporation	
	Florida First Capital Finance Corporation, Inc.		Empire State Certified Development Corporation	
	Empire State Certified Development Corporation		Business Finance Capital	
	Business Finance Capital		Florida Business Development Corporation	
	Florida Business Development Corporation		Mortgage Capital Development Corporation	
	California Statewide Certified Development Corporation		WBD, Inc.	
	Mountain West Small Business Finance		California Statewide Certified Development Corporation	
	WBD, Inc.		Mountain West Small Business Finance	
	Small Business Growth Corporation		Trenton Business Assistance Corporation	
Banks	JPMORGAN CHASE BANK, NATIONAL ASSOCIATION		JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	
1st liens	WELLS FARGO BANK, NATIONAL ASSOCIATION		WELLS FARGO BANK, NATIONAL ASSOCIATION	
	ZIONS BANK, A DIVISION OF		BANK OF AMERICA, NATIONAL ASSOCIATION	
	BANK OF THE WEST		TD BANK, NATIONAL ASSOCIATION	
	BANK OF AMERICA, NATIONAL ASSOCIATION		ONEWEST BANK, A DIVISION OF	
	ONEWEST BANK, A DIVISION OF		CITY NATIONAL BANK	
	CITY NATIONAL BANK		BANK OF THE WEST	
	TD BANK, NATIONAL ASSOCIATION		ZIONS BANK, A DIVISION OF	
	POPPY BANK		KEYBANK NATIONAL ASSOCIATION	
	REGIONS BANK		LIVE OAK BANKING COMPANY	
Top States for SBA 504 Loan Approvals				
	FY2019		FY2020 March YTD	
CA		1,208,085,000	CA	722,385,000
FL		412,339,000	FL	279,305,000
TX		256,522,000	TX	202,431,000
IL		207,550,000	NY	123,590,000
MN		190,950,000	NJ	111,535,000
UT		183,172,000	IL	110,053,000
NY		160,502,000	UT	99,112,000
MA		157,783,000	MA	94,891,000
GA		150,372,000	WI	90,114,000
WA		147,113,000	WA	84,805,000
Source: SBA				

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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)	0.10%	0.13%	-0.03%	0.20%	2.18%	0.95%
3m US T-Bill (BEY)	0.13%	0.17%	-0.04%	0.25%	2.20%	1.04%
6m US T-Bill (BEY)	0.15%	0.19%	-0.04%	0.24%	2.07%	1.13%
1y US T-Bill	0.15%	0.18%	-0.03%	0.25%	1.93%	1.23%
2y US T-Note	0.16%	0.17%	-0.01%	0.23%	1.82%	1.40%
3y US T-Note	0.19%	0.22%	-0.03%	0.29%	1.79%	1.59%
5y US T-Note	0.30%	0.33%	-0.03%	0.41%	1.82%	1.93%
10y US T-Note	0.65%	0.75%	-0.10%	0.73%	2.07%	2.38%
20y US T-Bond	1.12%	1.31%	-0.19%	1.15%	2.36%	2.70%
30y US T-Bond	1.33%	1.53%	-0.20%	1.35%	2.57%	2.93%
Federal Funds	0.07%	0.07%	0.00%	0.05%	2.35%	1.16%
Fed Discount Rate	0.25%	0.25%	0.00%	0.25%	3.00%	1.75%
Prime Rate	3.25%	3.25%	0.00%	3.25%	5.25%	4.25%
TED Spread	0.14%	0.15%	0.00%	0.97%	0.14%	0.26%
Swap Rates						
2 Year LIBOR Swap	0.22%	0.30%	-0.08%	0.47%	1.95%	1.64%
5 Year LIBOR Swap	0.33%	0.44%	-0.11%	0.57%	1.88%	2.01%
10 Year LIBOR Swap	0.59%	0.78%	-0.19%	0.81%	2.05%	2.35%
SBA 504 2nd Lien Loan Rates						
10 Yr	2.39%	2.39%	-0.25%	2.64%	3.92%	4.35%
20 Yr	2.21%	2.34%	-0.18%	2.68%	3.53%	4.34%
25 Yr	2.27%	2.41%	-0.19%	2.76%	3.63%	
Depository Rates						
1 Mon. CD - Non Jumbo	0.06%	0.06%	0.00%	0.06%	0.12%	0.81%
3 Mon. CD - Non Jumbo	0.10%	0.10%	0.00%	0.12%	0.21%	0.85%
6 Mon. CD - Non Jumbo	0.16%	0.16%	-0.01%	0.19%	0.40%	0.90%
1 Yr CD - Non Jumbo	0.24%	0.24%	-0.01%	0.28%	0.57%	1.01%
2 Yr CD - Non Jumbo	0.32%	0.32%	-0.02%	0.37%	0.76%	1.16%
3 Yr CD - Non Jumbo	0.38%	0.38%	-0.01%	0.44%	0.88%	1.28%
1 Mon. CD - Jumbo	0.06%	0.06%	-0.01%	0.08%	0.15%	0.82%
3 Mon. CD - Jumbo	0.11%	0.11%	0.00%	0.14%	0.24%	0.86%
6 Mon. CD - Jumbo	0.17%	0.17%	-0.01%	0.21%	0.45%	0.92%
1 Yr CD - Jumbo	0.25%	0.25%	-0.02%	0.30%	0.64%	1.04%
2 Yr CD - Jumbo	0.34%	0.34%	-0.01%	0.39%	0.81%	1.19%
3 Yr CD - Jumbo	0.39%	0.39%	-0.02%	0.46%	0.93%	1.32%
Savings	0.06%	0.06%	0.00%	0.07%	0.09%	0.81%
Checking	0.04%	0.04%	0.00%	0.04%	0.06%	0.79%
Money Market - Non Jumbo	0.09%	0.09%	0.00%	0.09%	0.18%	0.83%
Money Market - Jumbo	0.16%	0.16%	0.00%	0.18%	0.29%	0.87%
Regulatory & Interbank Rates						
Secured Overnight Financing Rate (SOFR)	0.09	0.10	3.00%	0.05	2.10%	
FHLB Fixed Advances (30 day, < \$15m)	0.37%	0.44%	-0.03%	0.44%	2.28%	1.32%

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