MARKET FORCES NOW: 504 DEBENTURE RATES

WEDNESDAY, OCTOBER 7
3:00 PM – 4:00 PM
OREGON BALLROOM SALONS E - F



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NADCO NOW October 6-9 Portland, Oregon

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Karen Cady, Managing Director | Agency SPG
Stifel

Jonathan Sanchez, Managing Director | CMBS Trading
Bank of America Securities

Linda Reilly, Chief, 504 Loan Division, Office of Financial Assistance
U.S. Small Business Administration

Moderator:
Glenn Doran, Selling Agent
Eagle Compliance LLC

Speakers

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NADCO NOW

Eyes on the Market NOW: Forces Shaping 504 Debenture Rates

Linda Reilly, SBA
Karen Cady, Stifel Nicolaus
Jon Sanchez, Bank of America
Glenn Doran, Eagle Compliance

October 7, 2026

EAGLE
COMPLIANCE LLC

Presentation Materials For:

2026 NADCO NOW Conference
Portland, Oregon



STIFEL

October 7, 2026

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For Institutional Use Only

Executive Summary

Header – 16 pt The economy is strong

- Real GDP is tracking 2.2% year-over-year and private domestic demand 2.8%. S&P Global PMIs are the strongest since 2021, unemployment is 4.2% and jobless claims are 197k, near the cycle low.
- Business equipment investment is accelerating, led by an AI capital cycle that has lifted IT and computer-related durable goods orders 63.5% since year-end 2022.

Small business is growing

- New business formation has averaged 509,000 per month in 2026 and the economy has added over 400,000 jobs in the last six months.
- Policy is reinforcing it: OBBBA, deregulatory actions, and a doubling of the combined 7(a)/504 limit to $10 million effective July 4, 2026.

Header – 16 pt The cost of capital has reset

- The 10-year Treasury is at ~5.30%, a 24-year high, and the 30-year is at ~ 5.60%. The 2-year is up ~130bp year-to-date versus ~75bp for the 30-year, so this is a Federal Reserve repricing, not a buyers' strike.
- Sixteen FOMC officials project another interest rate hike and the Committee has lifted its estimate of neutral to 3.25%.

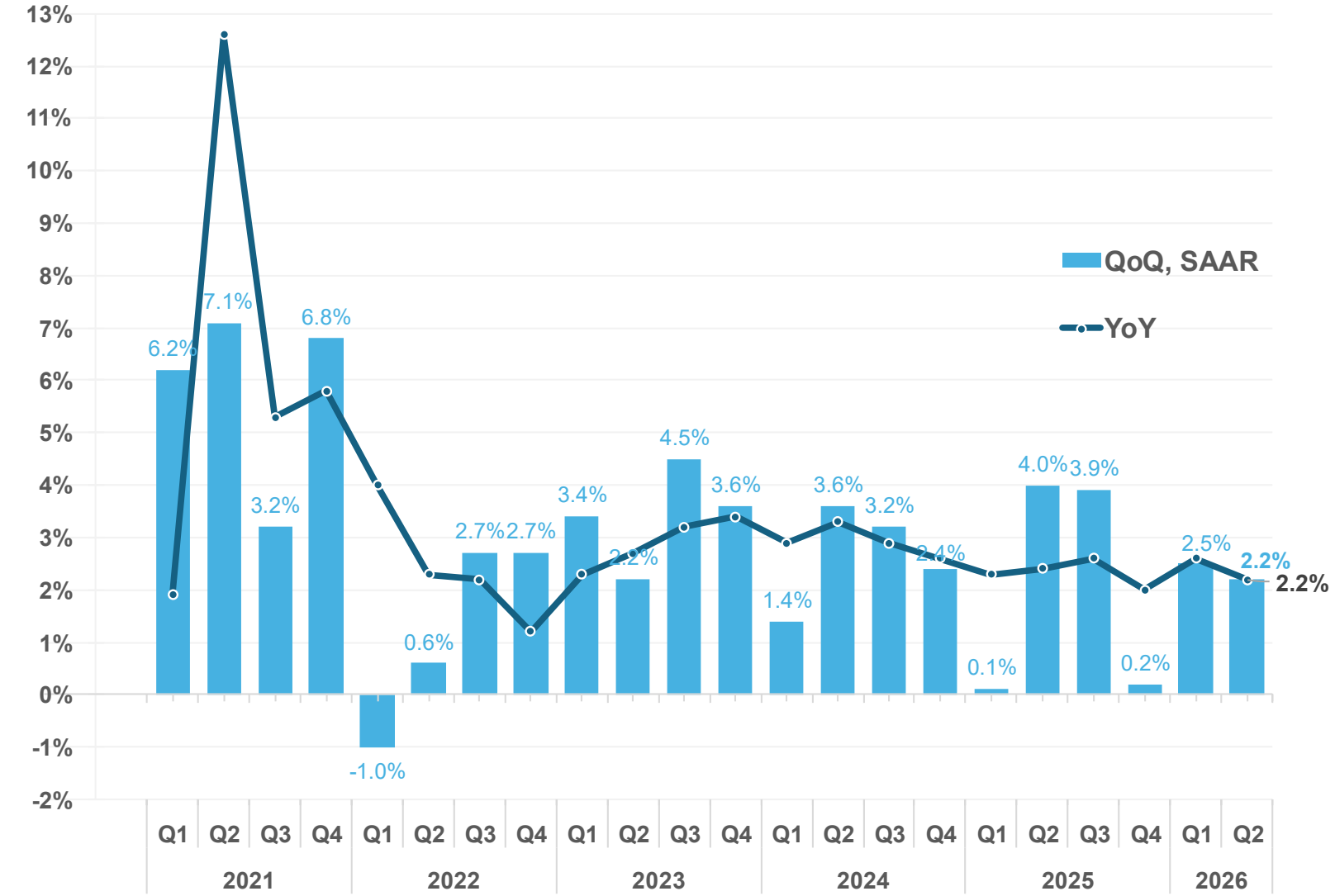
Competition for capital is intense

- Corporate issuance is running up 30% year-to-date, with five hyperscalers alone printing roughly $220 billion over the past year.
- Federal debt has passed $40 trillion and interest costs are up 12% this fiscal year.

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; S&P Global; U.S. Treasury; Congressional Budget Office; Stifel.
Treasury yields as of 10/1/2026

U.S. Economic Growth Remains Robust in 2026

U.S. Real GDP Growth

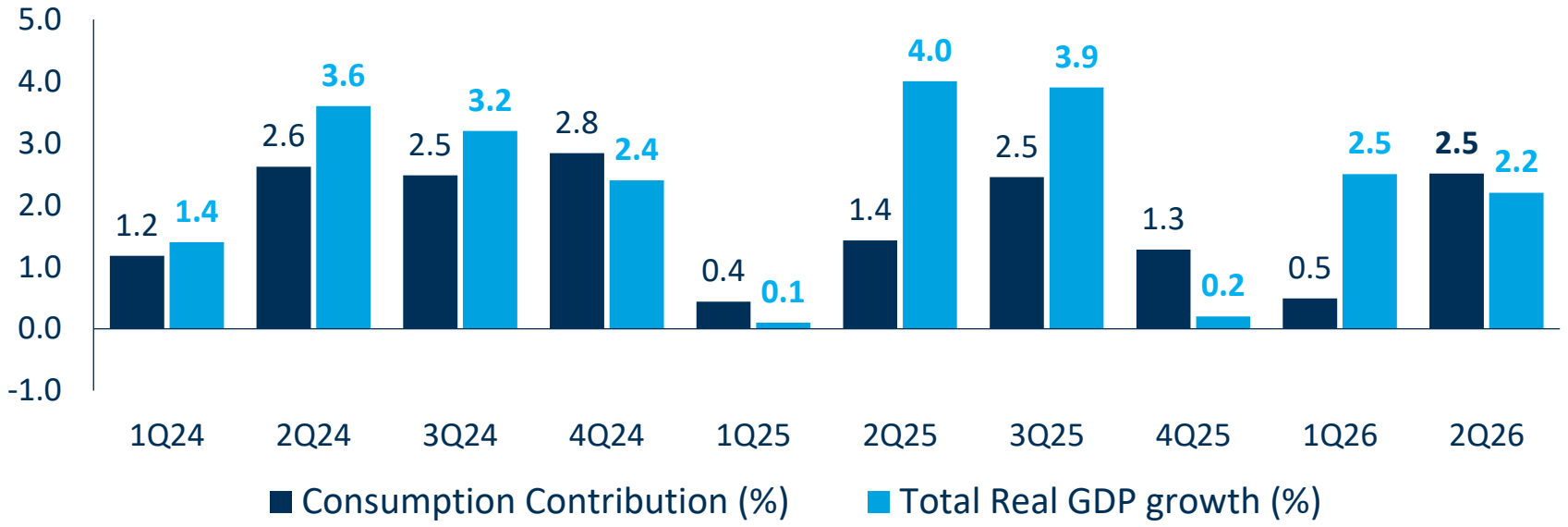


Source: Bureau of Economic Analysis, Bloomberg Finance L.P., Stifel

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Consumer Spending is the Leading Contributor to GDP Growth

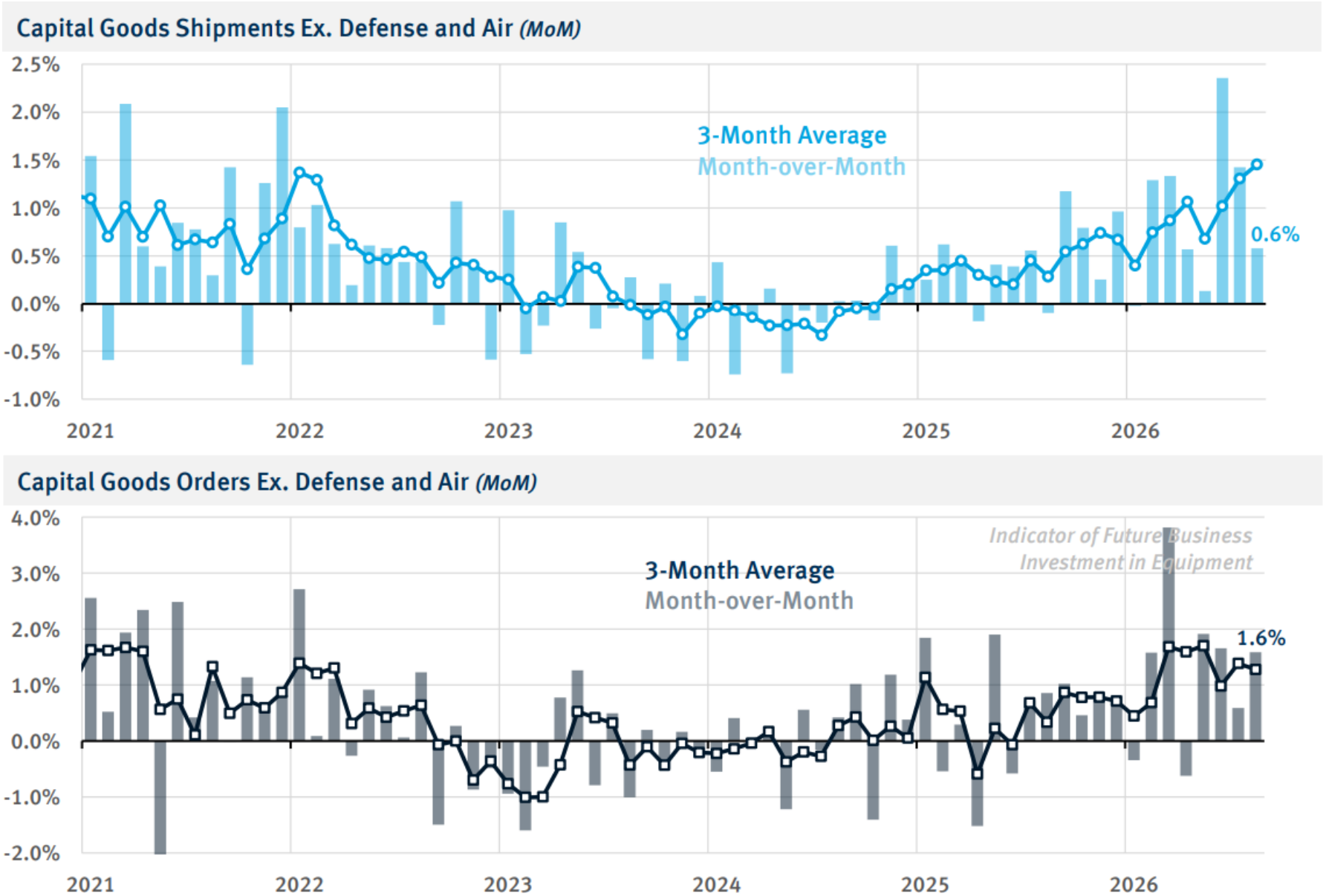
Consumer Spending Contribution to Real GDP Growth



- Consumption added 2.5% to 2Q26 real GDP growth of 2.2% — more than the quarter's entire gain.
- Consumption contributed positively in all 10 quarters
- It has delivered 75% of cumulative real GDP growth over the last eight quarters.
- Spending sits 19.1% above its pre-pandemic 4Q19 level.
- Consumption is 69.3% of real GDP — top of its decade range.

Source: Bureau of Economic Analysis, Bloomberg Finance L.P., Stifel
Chained 2017 dollars, SAAR.

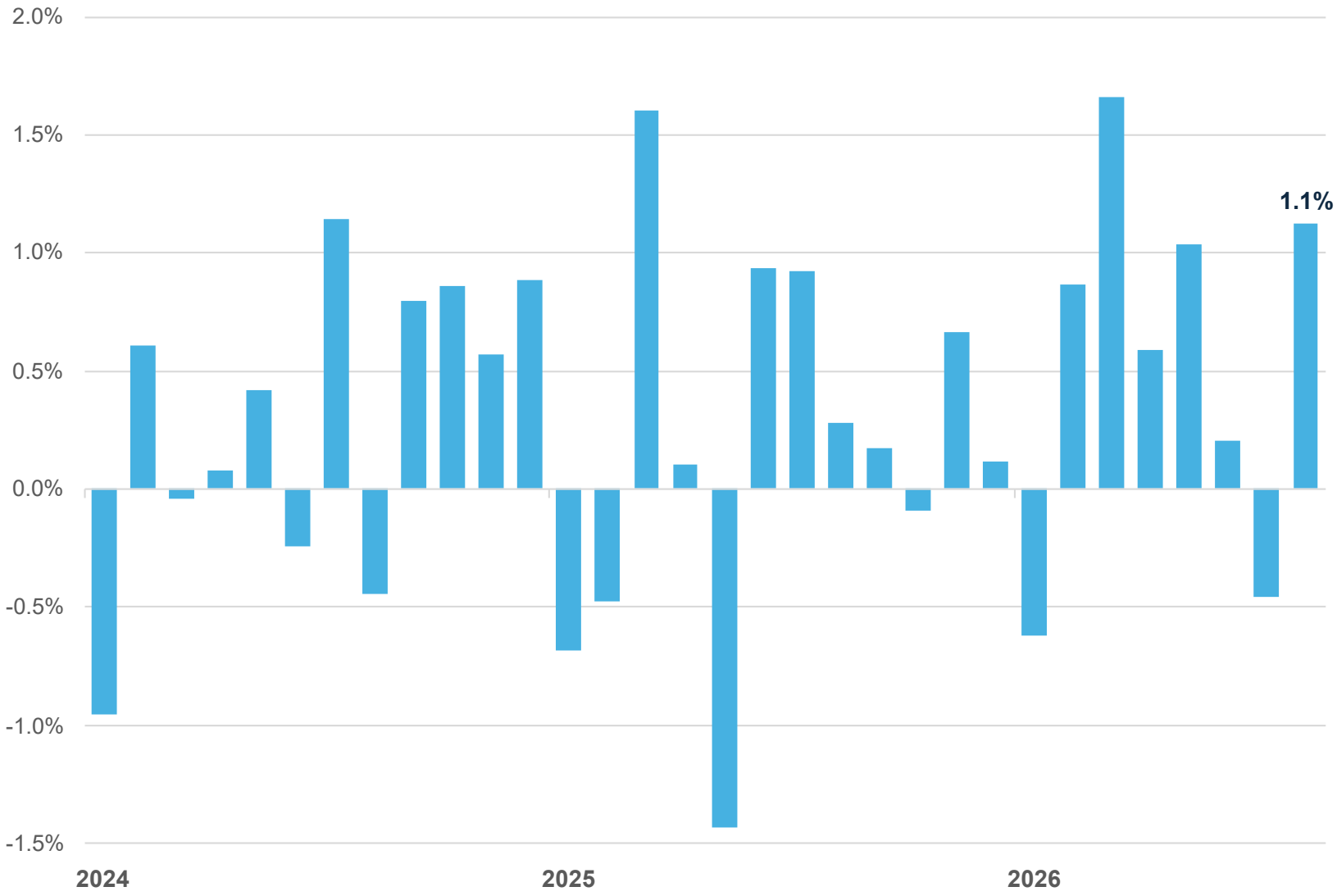
Business Investment in Equipment Continues to Trend Higher



Source: Census Bureau, Bloomberg Finance L.P., Stifel

Retail Sales Show Consumers are Resilient

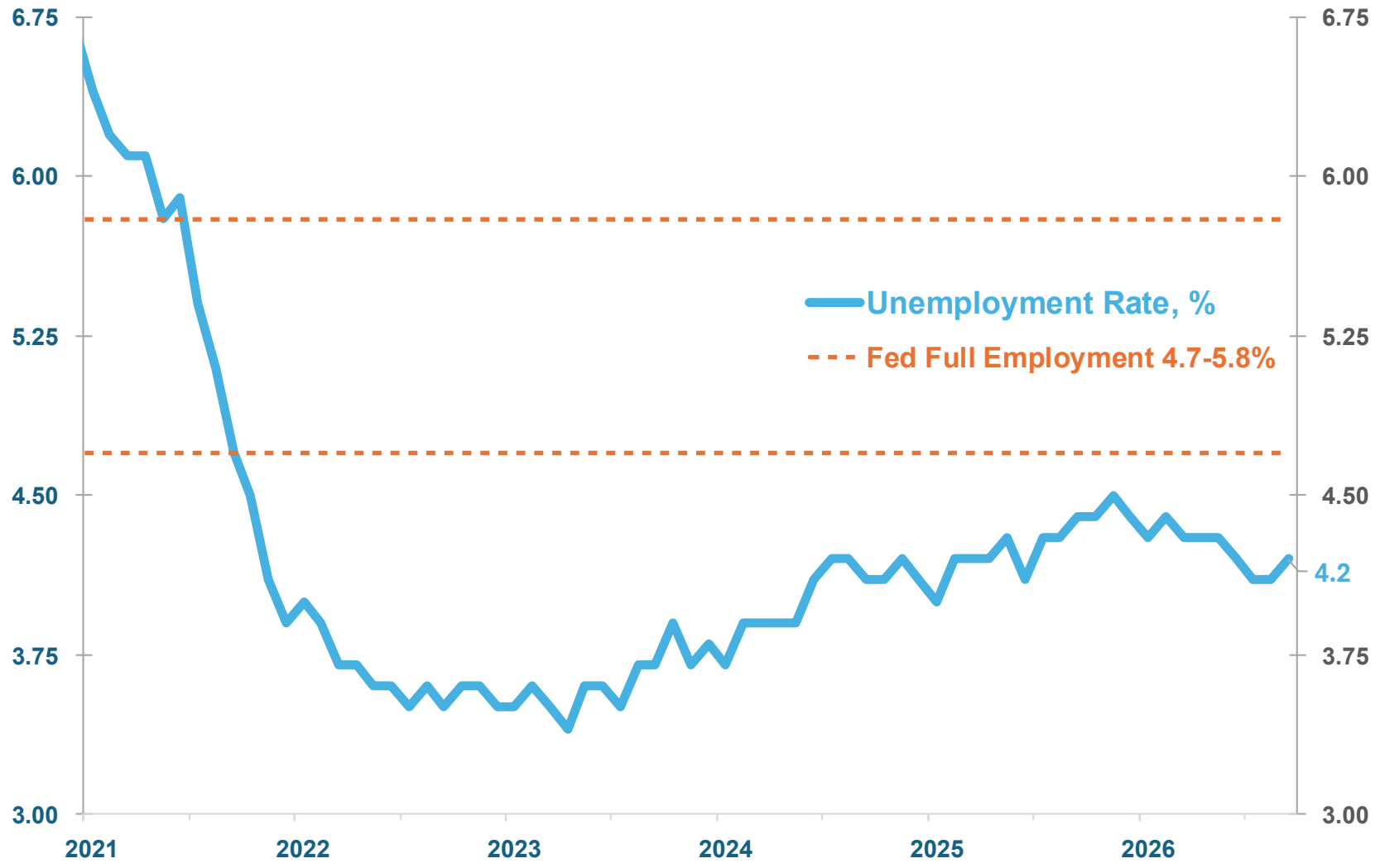
Headline Retail Sales (MoM)



Source: Census Bureau, Bloomberg Finance L.P., Stifel

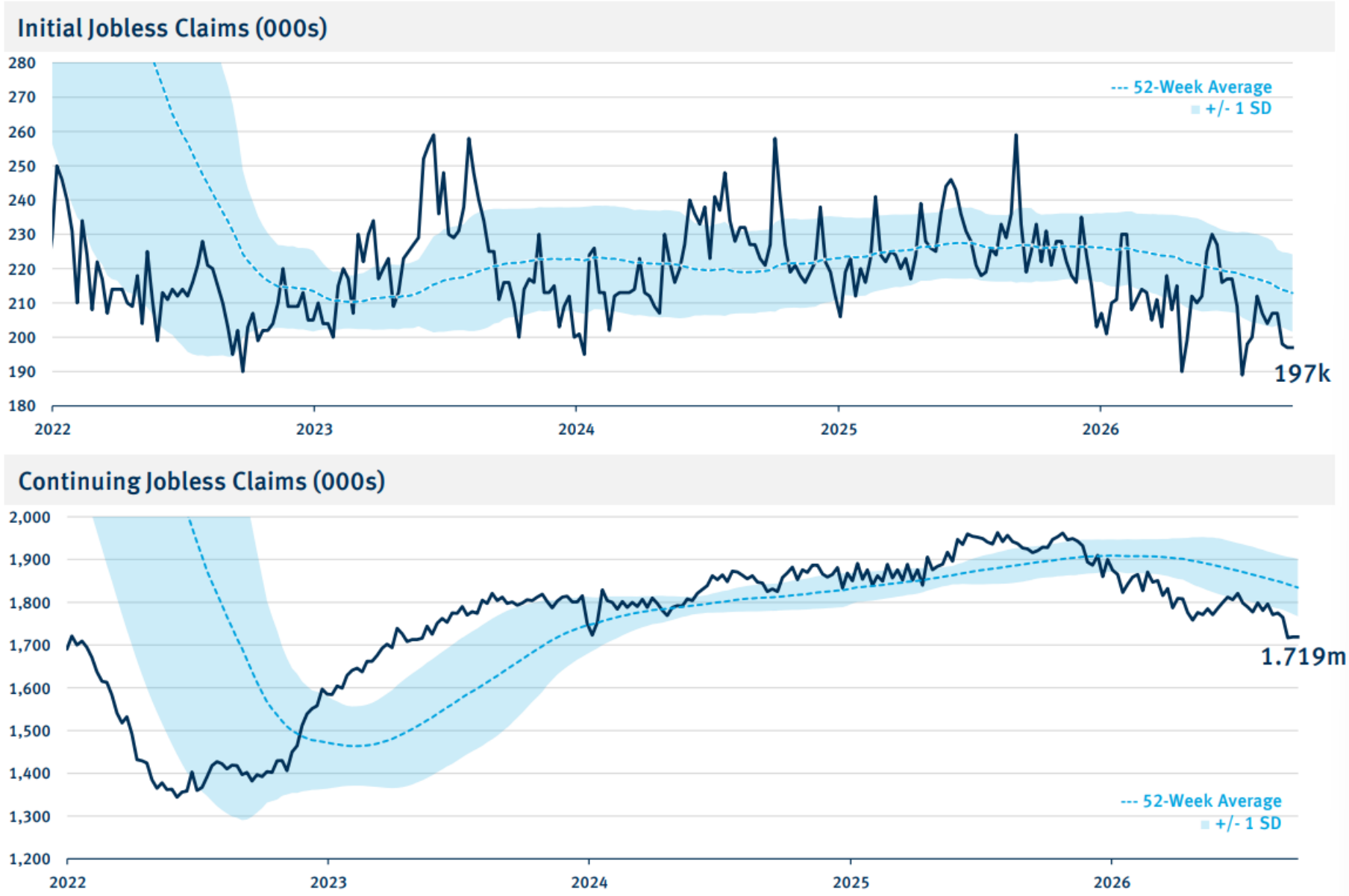
Unemployment Is Stable at 4.2%

U.S. Unemployment Rate



Source: Bureau of Labor Statistics, Stifel

No Evidence of Job Destruction: Claims at 197k

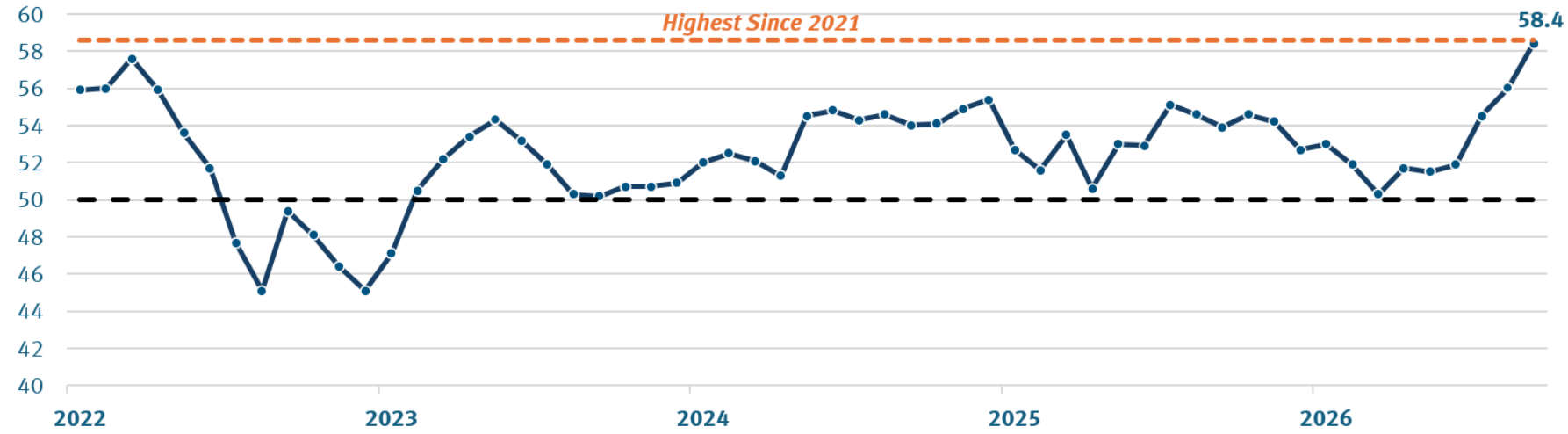


Source: Department of Labor, Bloomberg Finance L.P., Stifel

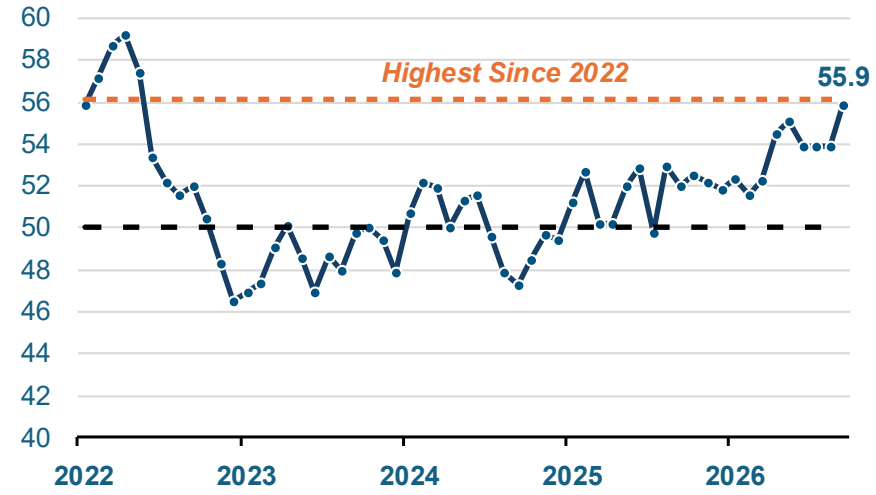
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S&P Global PMIs Are the Strongest Since 2021-22

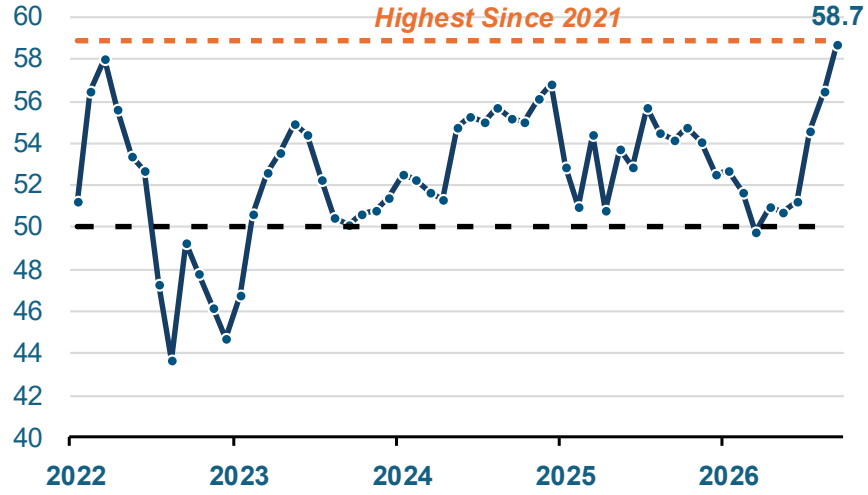
U.S. Composite PMI | S&P Global



U.S. Manufacturing PMI | S&P Global



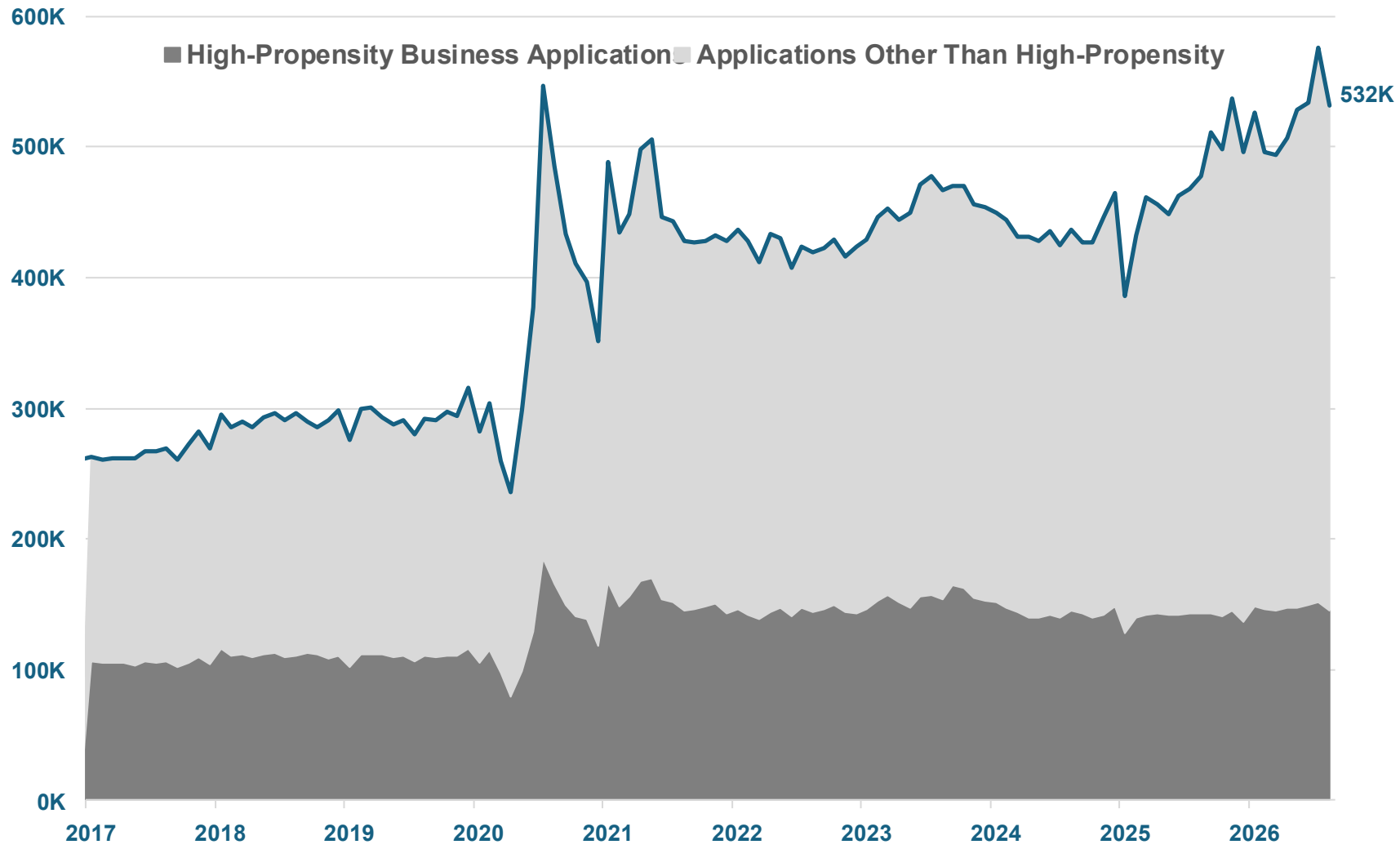
U.S. Services PMI | S&P Global



Source: S&P Global, Institute For Supply Management, Stifel

New Business Formation is Increasing

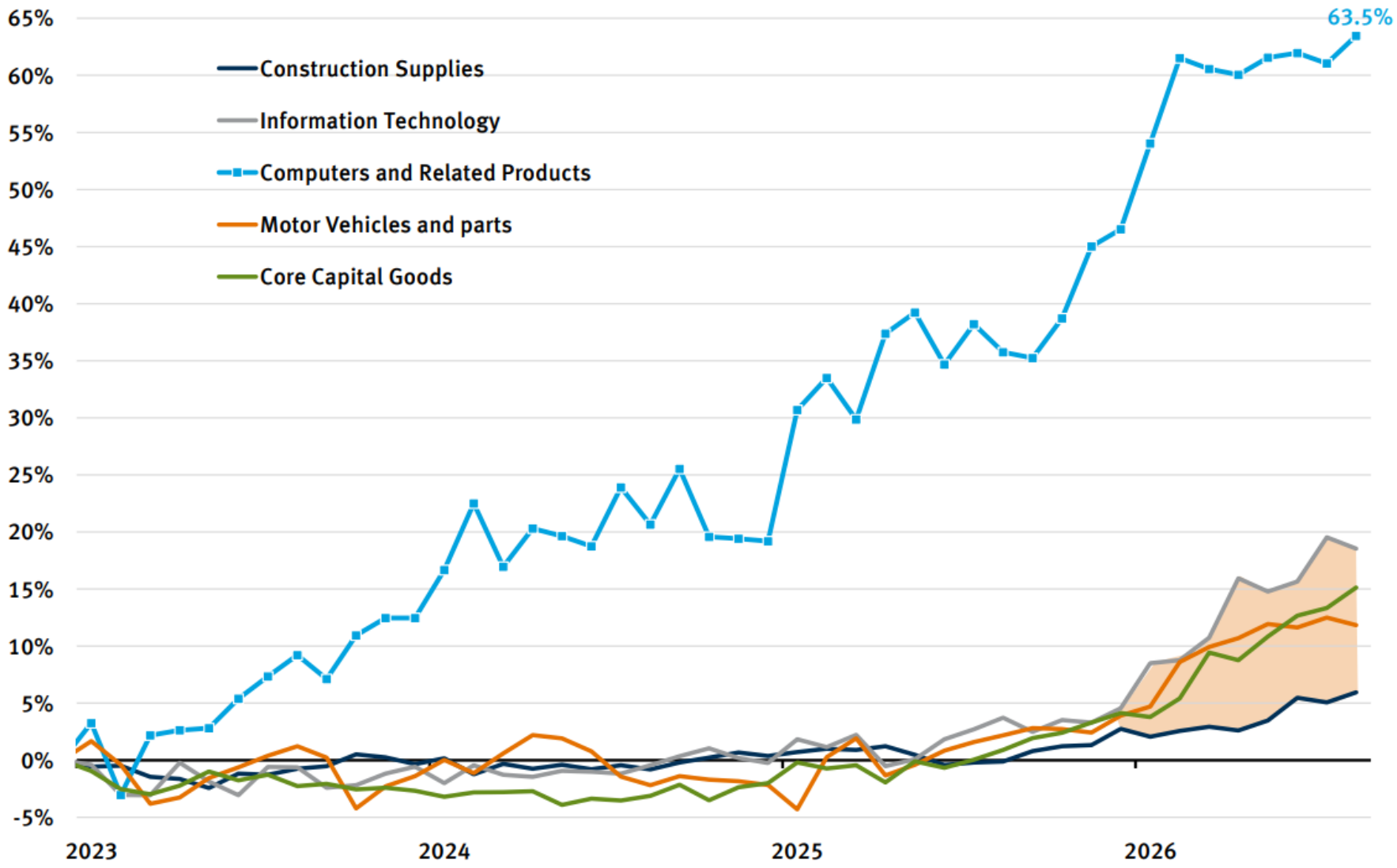
Monthly Business Applications (Seasonally Adjusted)



Source: U.S. Census Bureau, Stifel

The AI Investment Is Driving Capital Goods Boom

Percent Change Since YE22 in Durable Goods Orders



Source: U.S. Census Bureau, Bloomberg Finance L.P., Stifel

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Impact of Policy Changes on Small Business in the U.S.

Tax Permanence - The One Big Beautiful Bill Act

- Full permanent 100% expensing in year one for eligible property acquired after January 19, 2025
- No tax on overtime (29M+ Americans benefited as of July 2, 2026)
- No tax on tips (7.5M+ claimants as of July 2, 2026)
- Estate Tax Increase ($15M exemption - $30M for couples)

SBA Capital Expansion

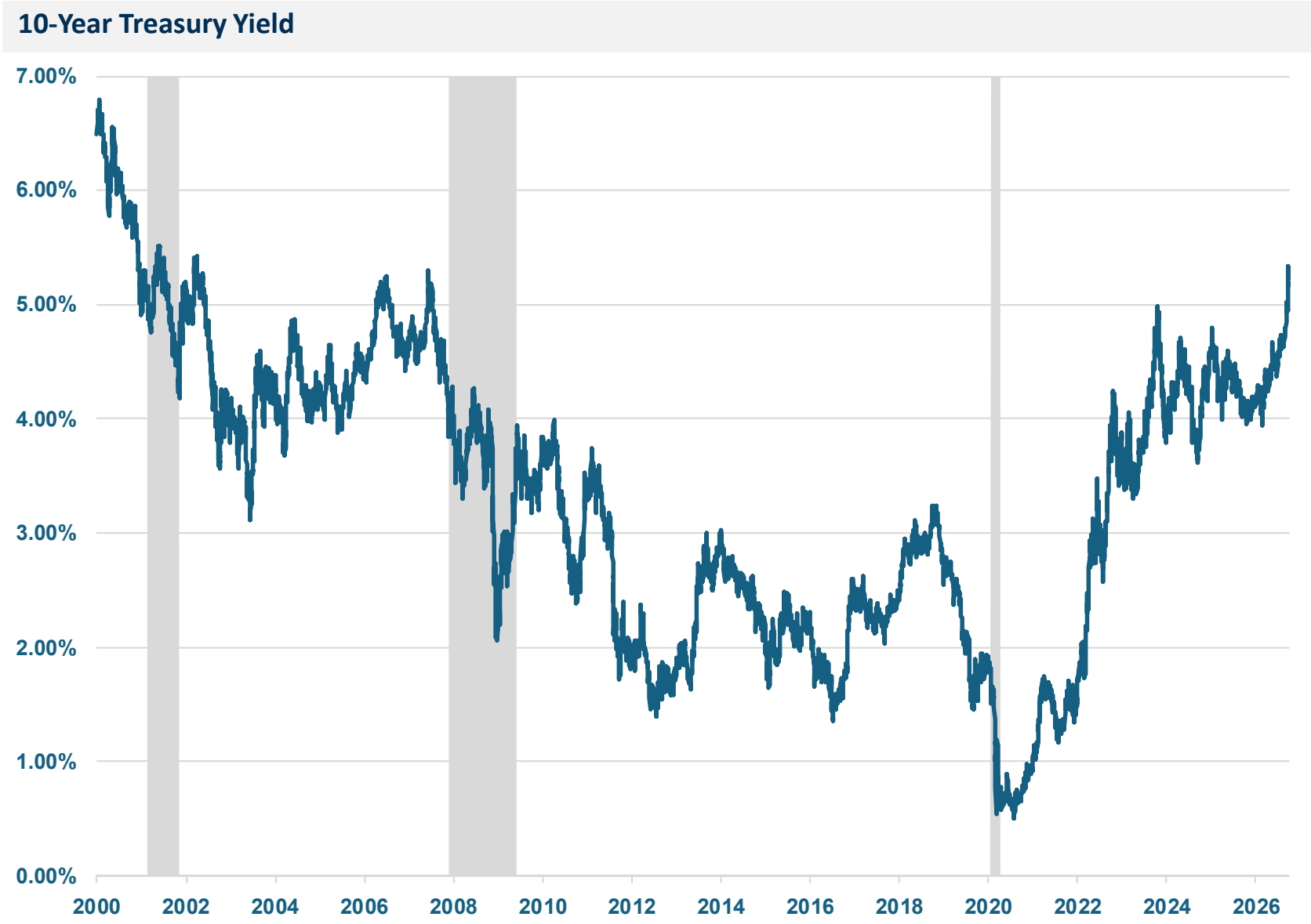
- Record issuance volume in year-to-date 2026 for flagship SBA Securitization Programs:
  SBA 504: $4.6 billion (up 3%)
  SBIC: $3.7 billion (up 9%)
  SBA 7(a) Pools: $7.7 billion (up 3%)
- As of July 4, 2026, SBA raised the combined 7(a) and 504 loan limit to $10M ($5M each), expanding capital availability for borrowers

Deregulation

- Agencies issued 646 deregulatory actions against 5 significant new actions in 2025, a 129 to 1 rollback ratio
- Estimated savings: $211.8 billion in present and future regulatory compliance costs
- Small Business Relief: The SBA's Office of Advocacy flagged over 300 regulatory issues, influencing changes to 23 federal regulations, reducing small business regulatory burdens by $110 billion

Source: IRS, U.S. Treasury, SBA, OMB/OIRA, SBA Office of Advocacy, Stifel

The 10-Year Has Reached Its Highest Level Since the Early 2000s

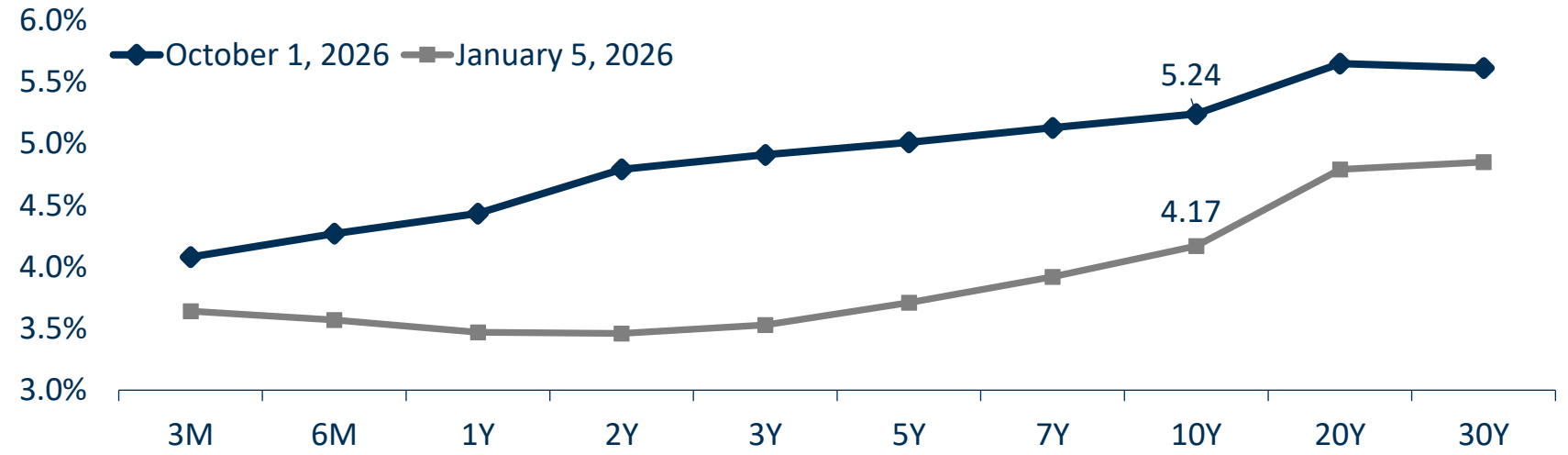


Source: Bloomberg LP, Stifel
Data as of 10/1/2026

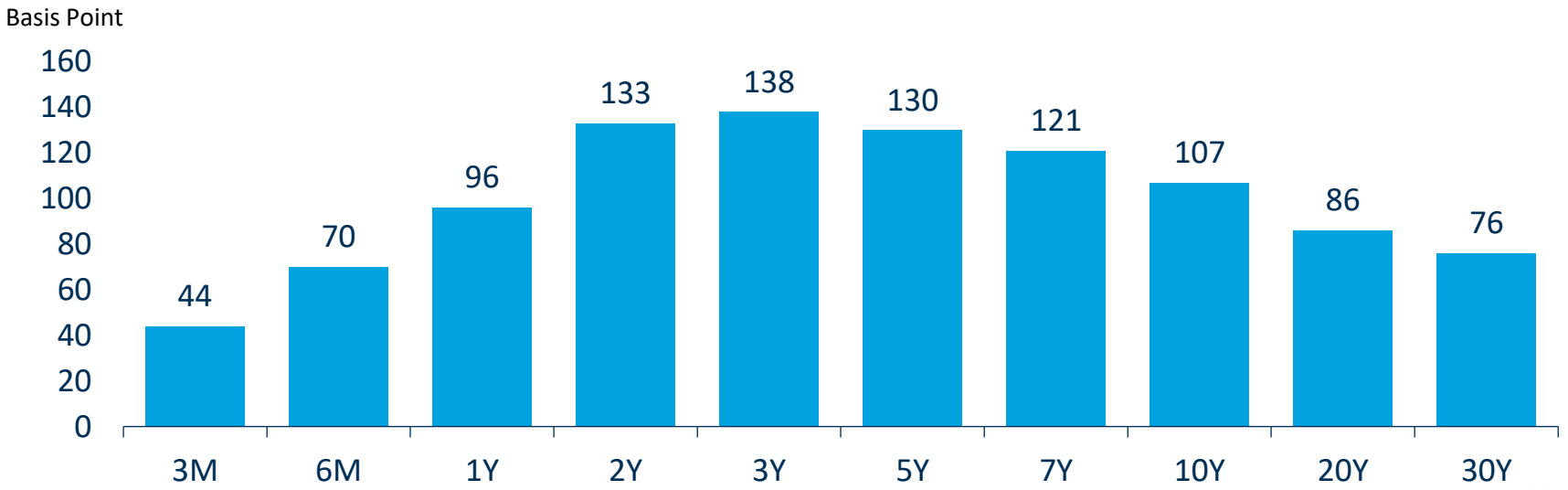
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The Whole Curve Repriced — and the Front End Led

U.S. Treasury Yield Curve

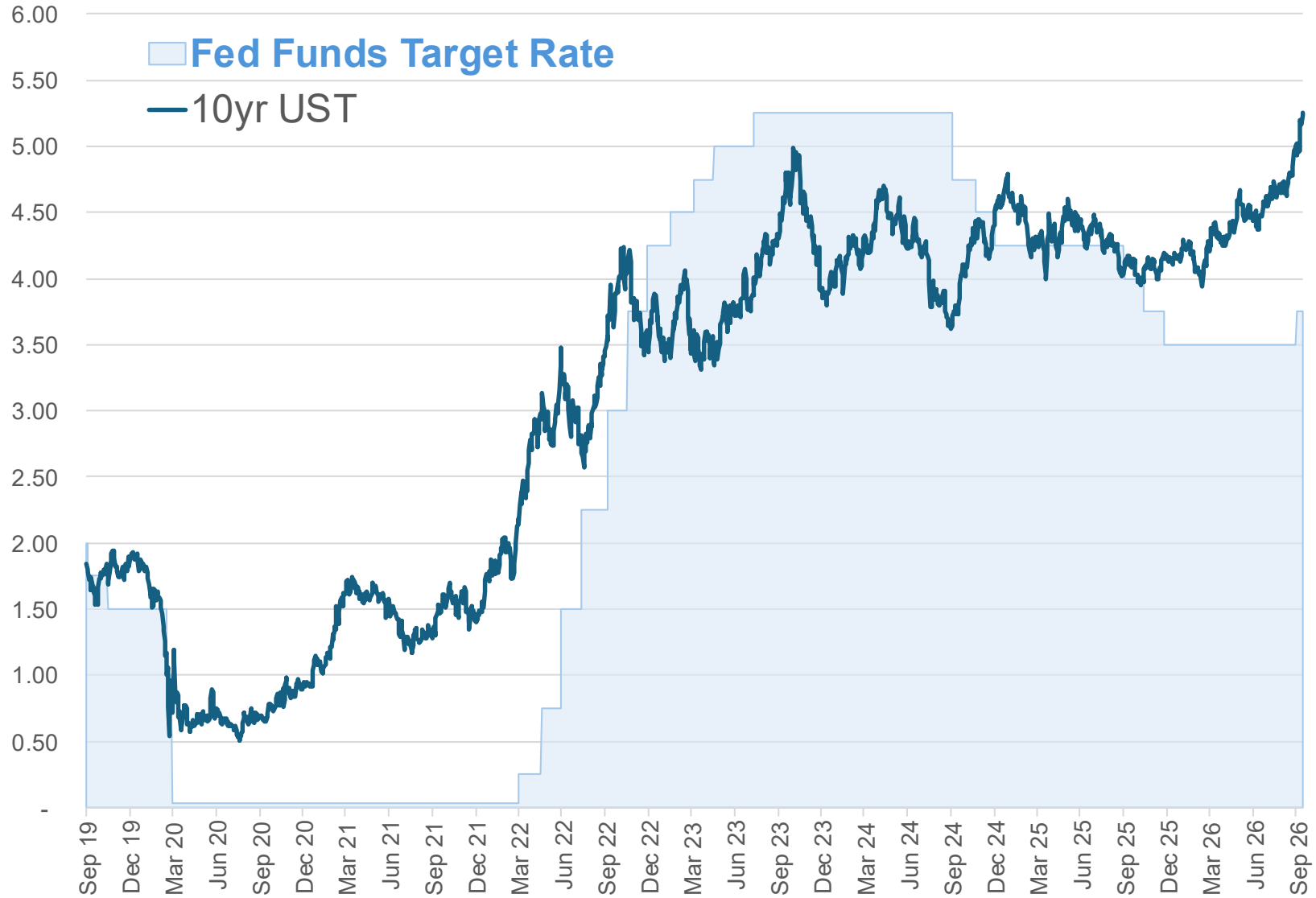


Change in Treasury Yields (basis point)



Source: U.S. Department of the Treasury, Bloomberg Finance L.P., Stifel
Top: par yields at 1/5/2026 vs 10/1/2026 (end of day). Bottom: change in basis points over the same period.

The Fed Sets the Short End; Markets Drive the Long End

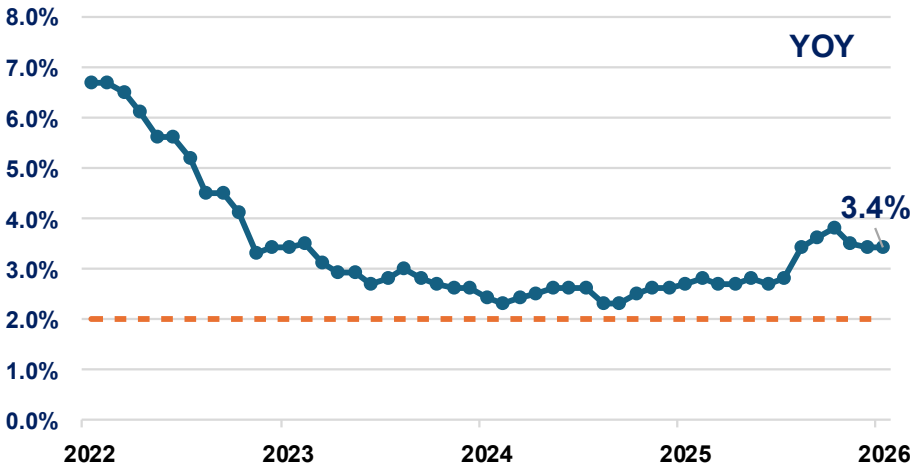


Source: Bloomberg Finance L.P., Stifel

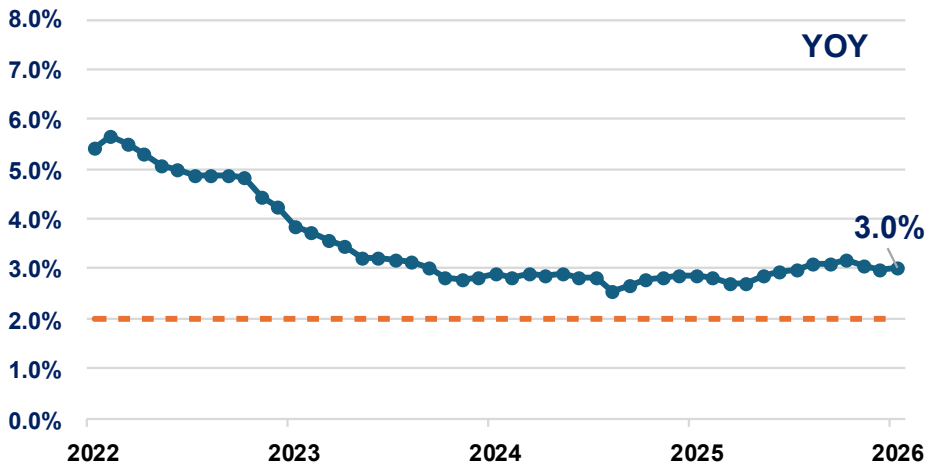
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Headline Inflation Is an Energy Story; Core PCE Has Stalled at 3.0%, Above the Fed's Target

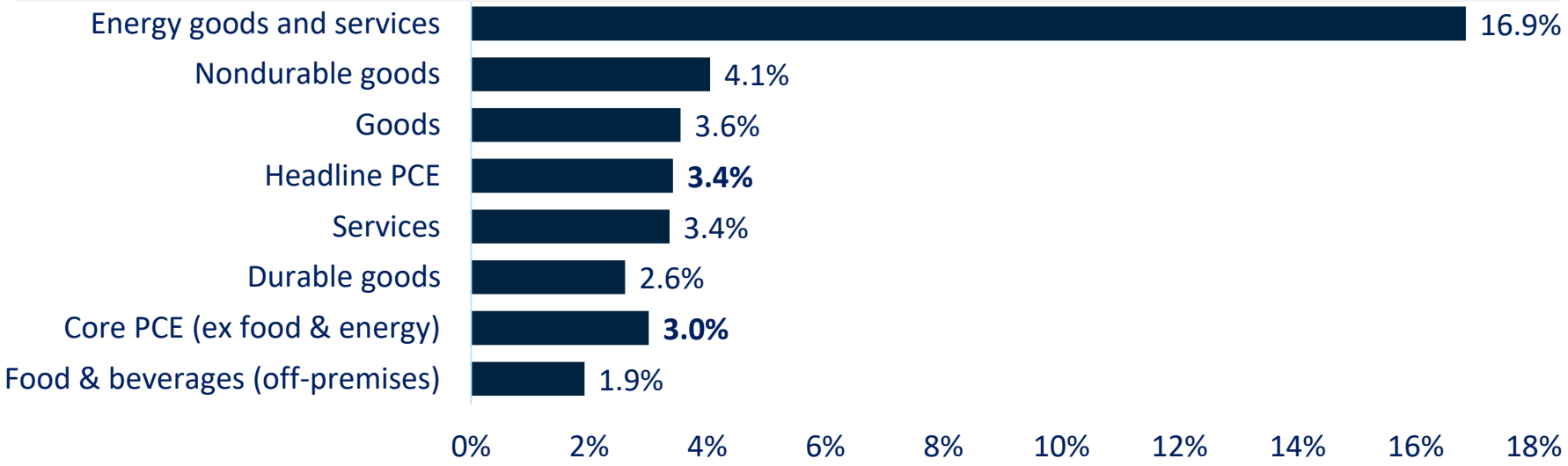
Headline PCE Inflation



Core PCE Inflation



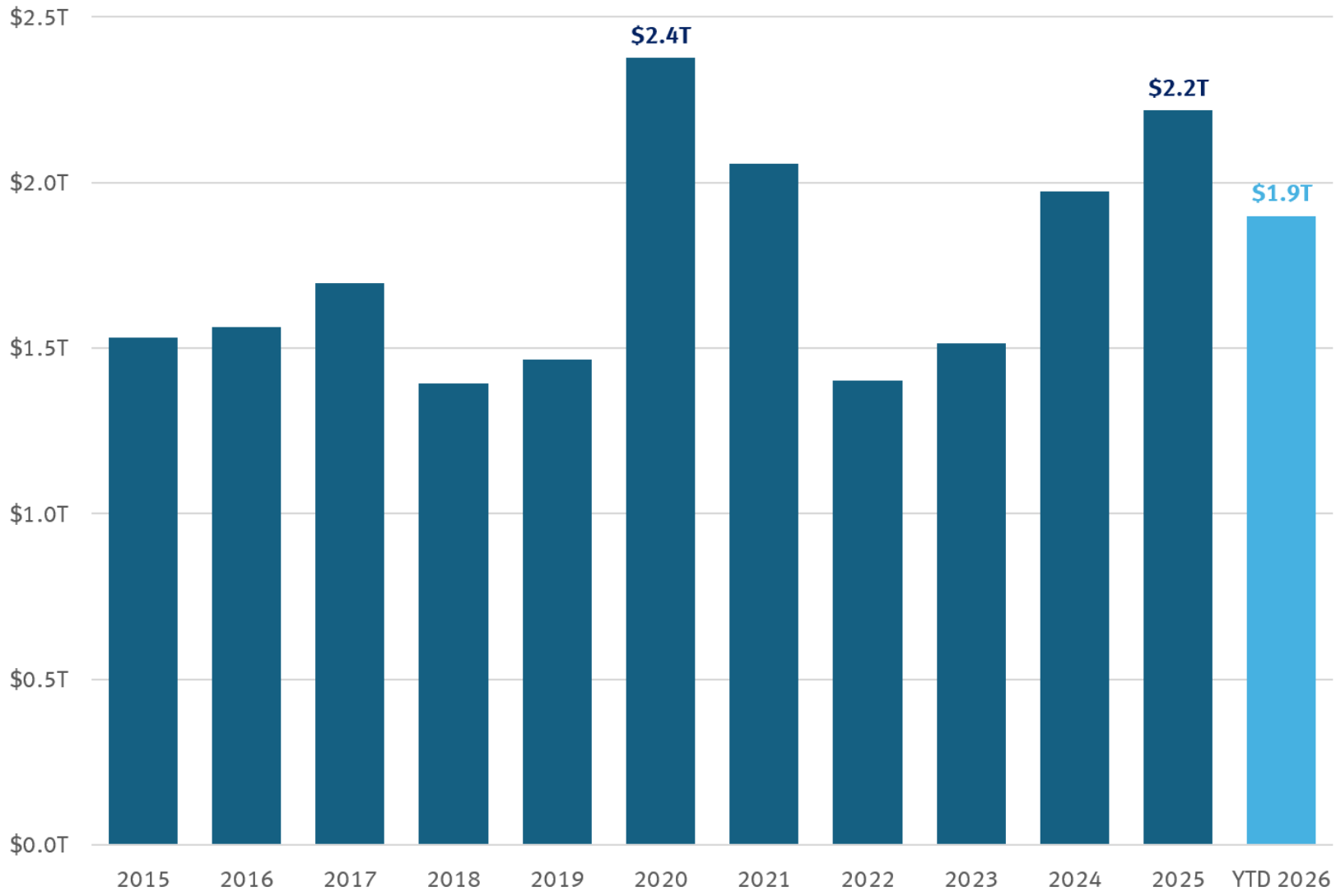
PCE Inflation by Category



Source: Bureau of Economic Analysis, Stifel

Corporate Bond Issuance on Pace for a Near-Record Year

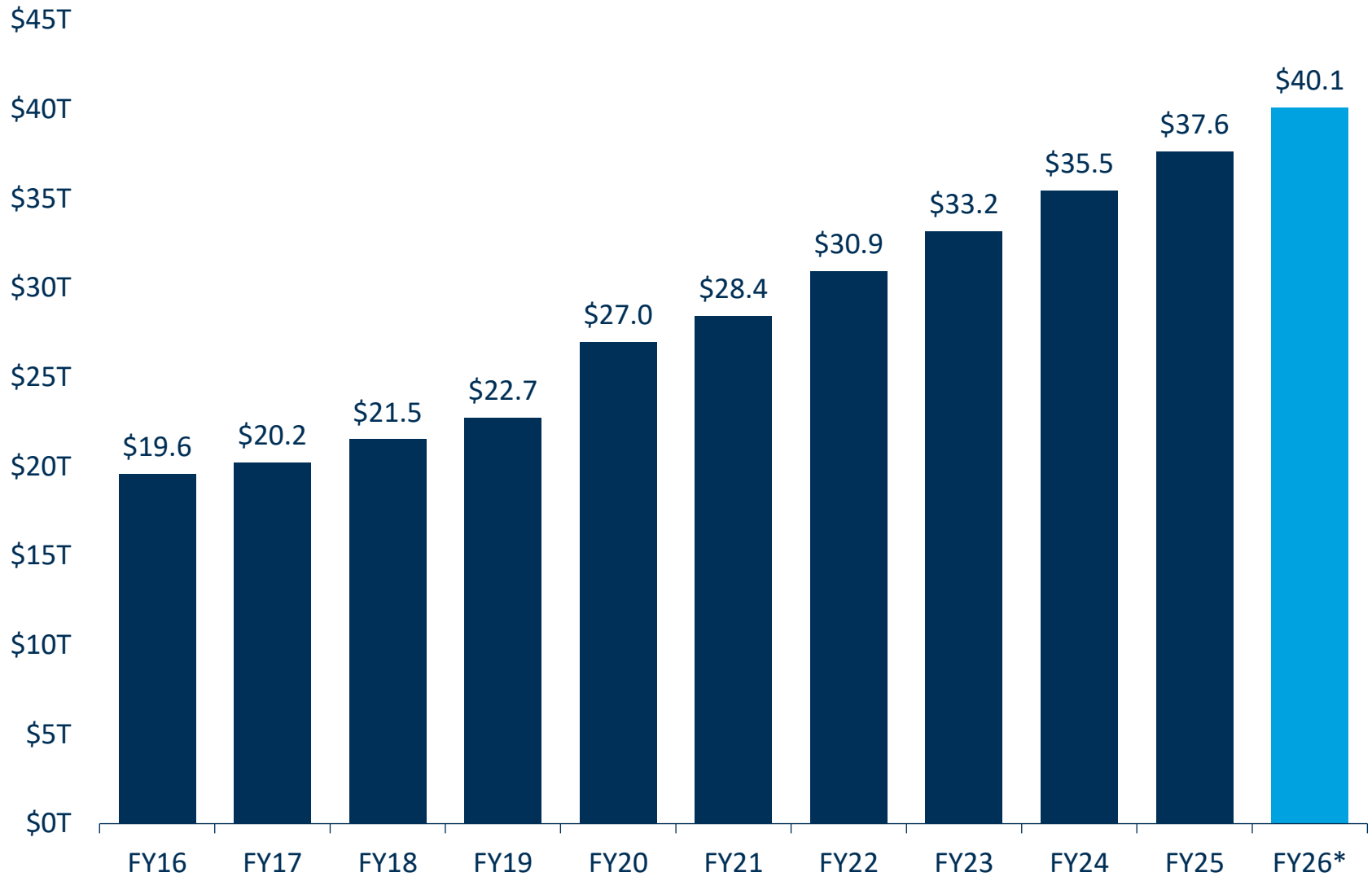
U.S. Corporate Bond Issuance ($Trillion)



Source: SIFMA, Refinitiv, Stifel

Federal Debt Has Passed $40 Trillion

U.S. Federal Debt ($Trillion)



Sources: U.S. Department of the Treasury, Congressional Budget Office, Stifel
*FY26 as of September 25, 2026

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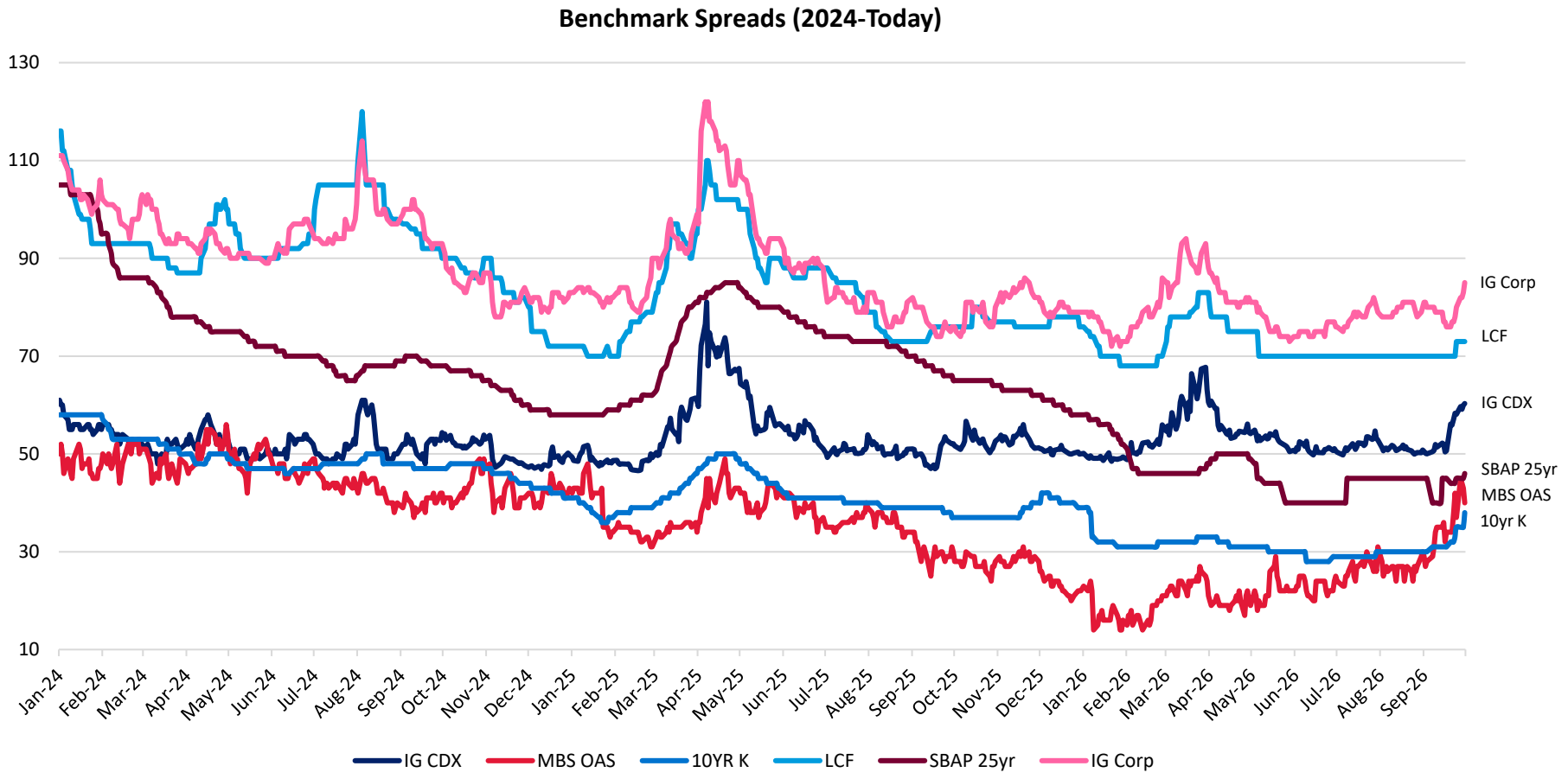
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NADCO Fall Summit 2026: BofA Market Update

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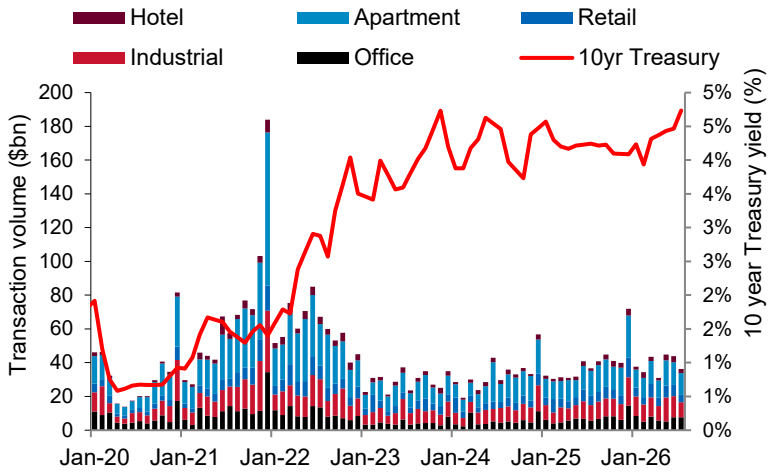
Fixed Income Spread Performance



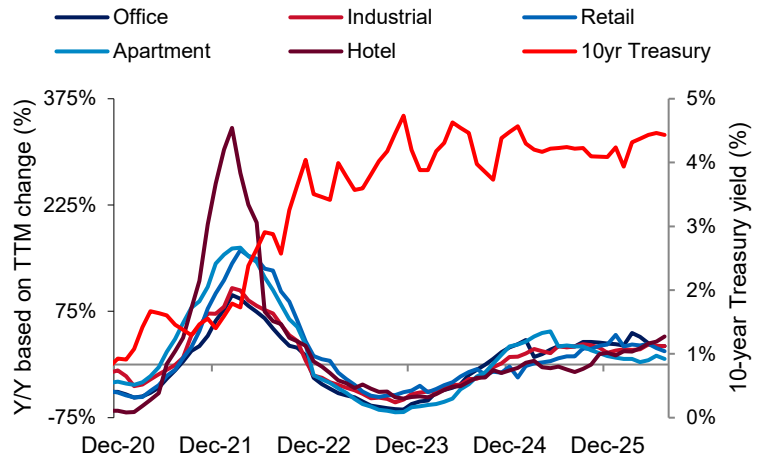
	S&P 500	IG CDX	HY CDX	IG Corp	MBS OAS	MBS CC Nominal	10YR K	10/9.5	SBAP	LCF	OVA AAAs
Current	7,666	60	344	85	40	124	38	42	46	75	90
Iran Conflict Wides (Mar 2026)	6,344	68	406	94	27	131	33	36	50	83	105
Beginning of 2026	6,858	50	317	79	23	112	40	43	56	76	97
April 2025 Wides	4,983	81	476	122	49	164	51	57	80	110	150

CRE Transaction Volumes / Price Performance

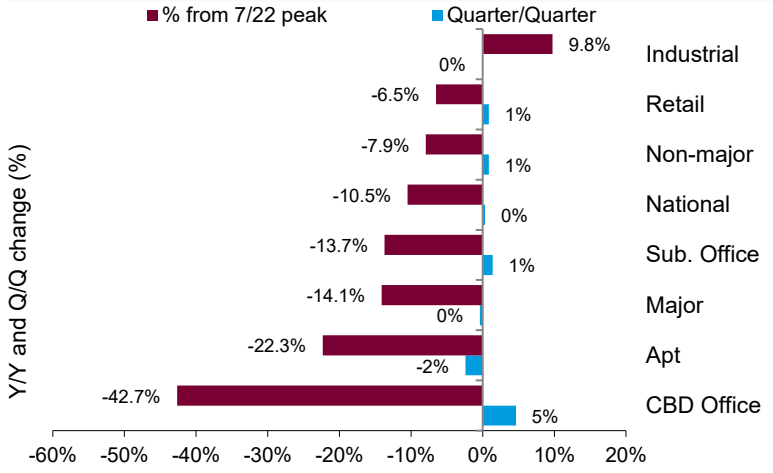
Transaction volume declined as interest rates rose and bottomed once they stabilized. Recent activity slowed as Middle East/inflation uncertainties increased



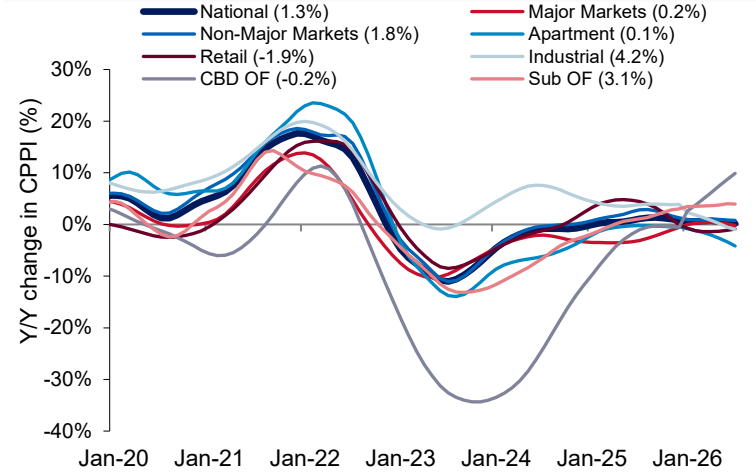
Transaction volume higher than a year ago for most property types



RCA CPPI change: Q/Q and since July 2022 peak. Updated through July 2026



CRE prices began to increase Y/Y in 2025, but recently stalled as interest rates increased and as investors became increasingly selective

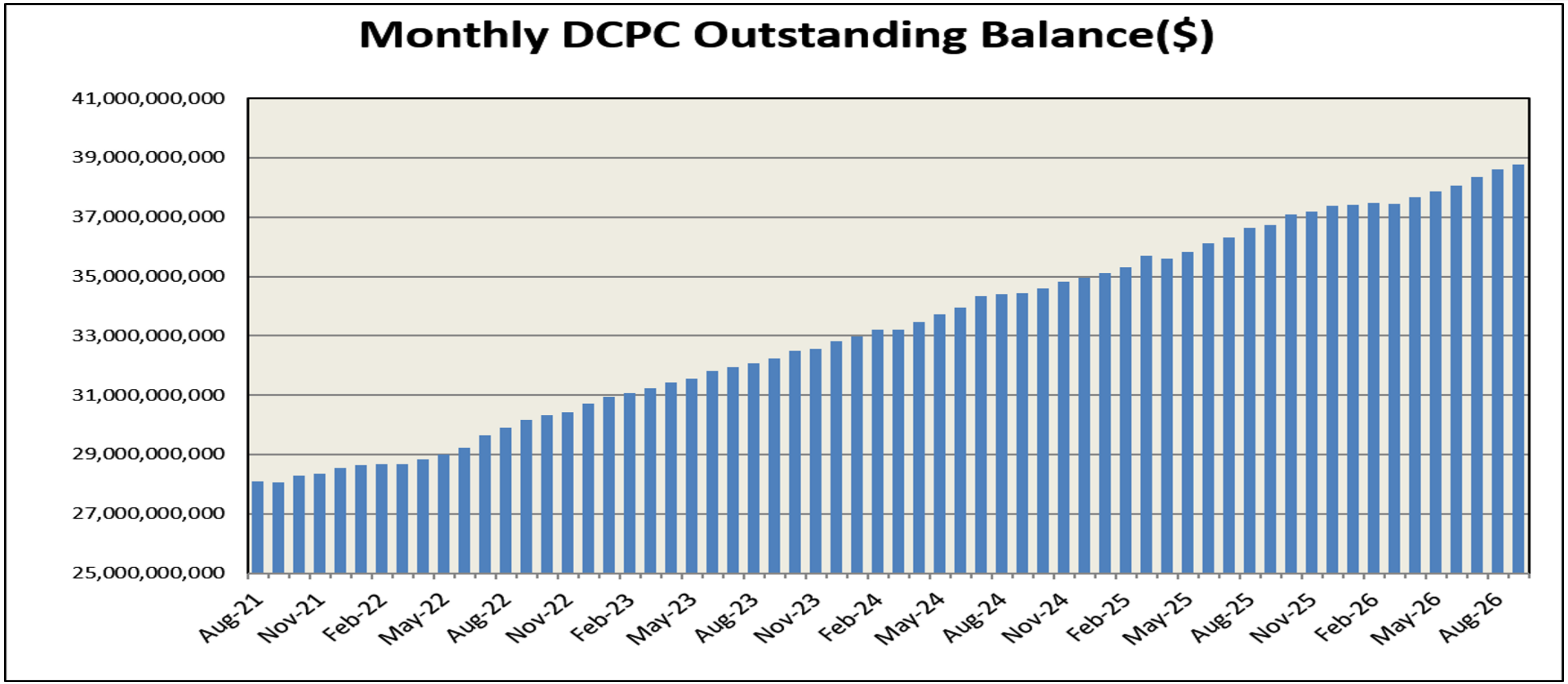


Source: Real Capital Analytics, Bloomberg

504 Debenture Issuance - FY2026

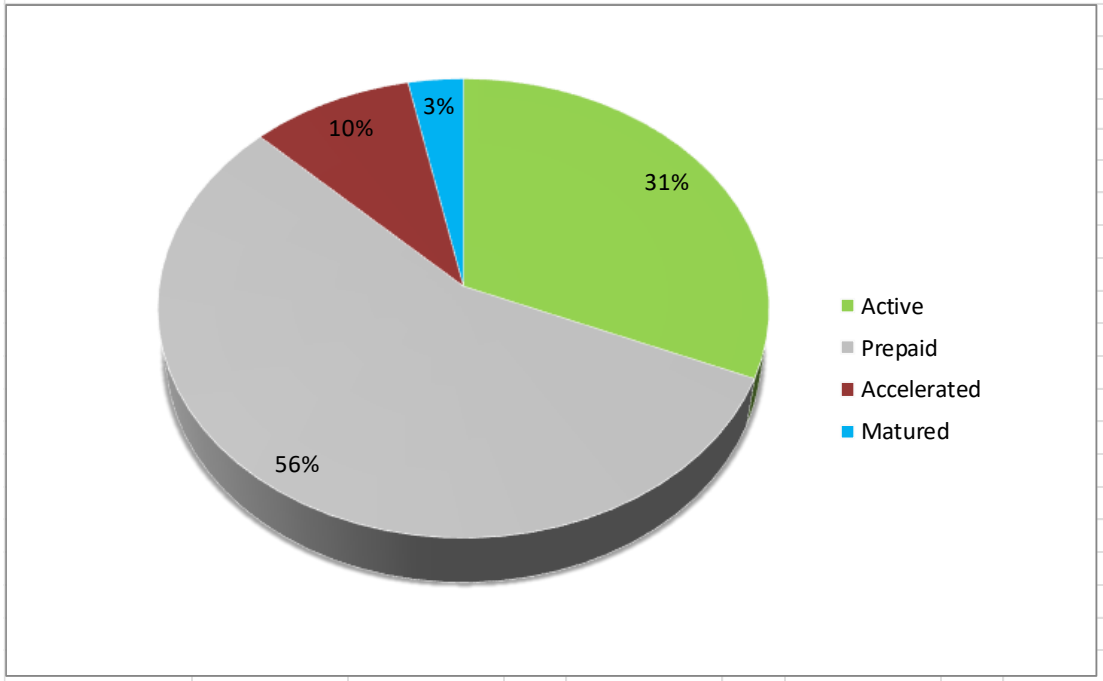


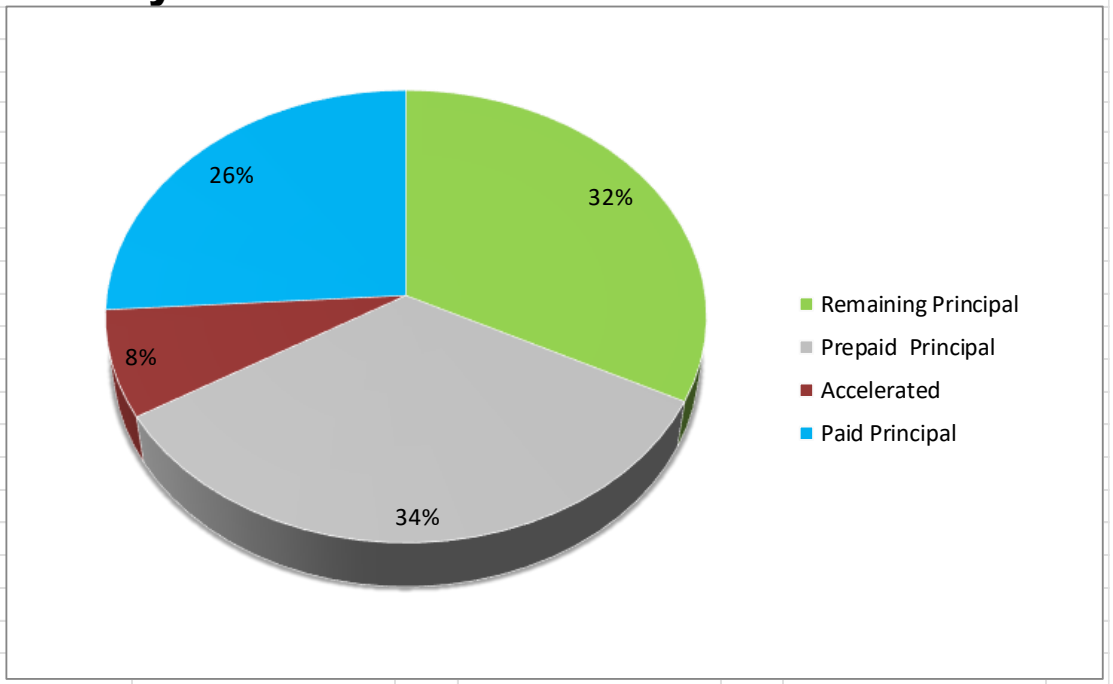
Outstanding Principal Balance



Bank of NY Dashboard

SBA 504 Portfolio Summary

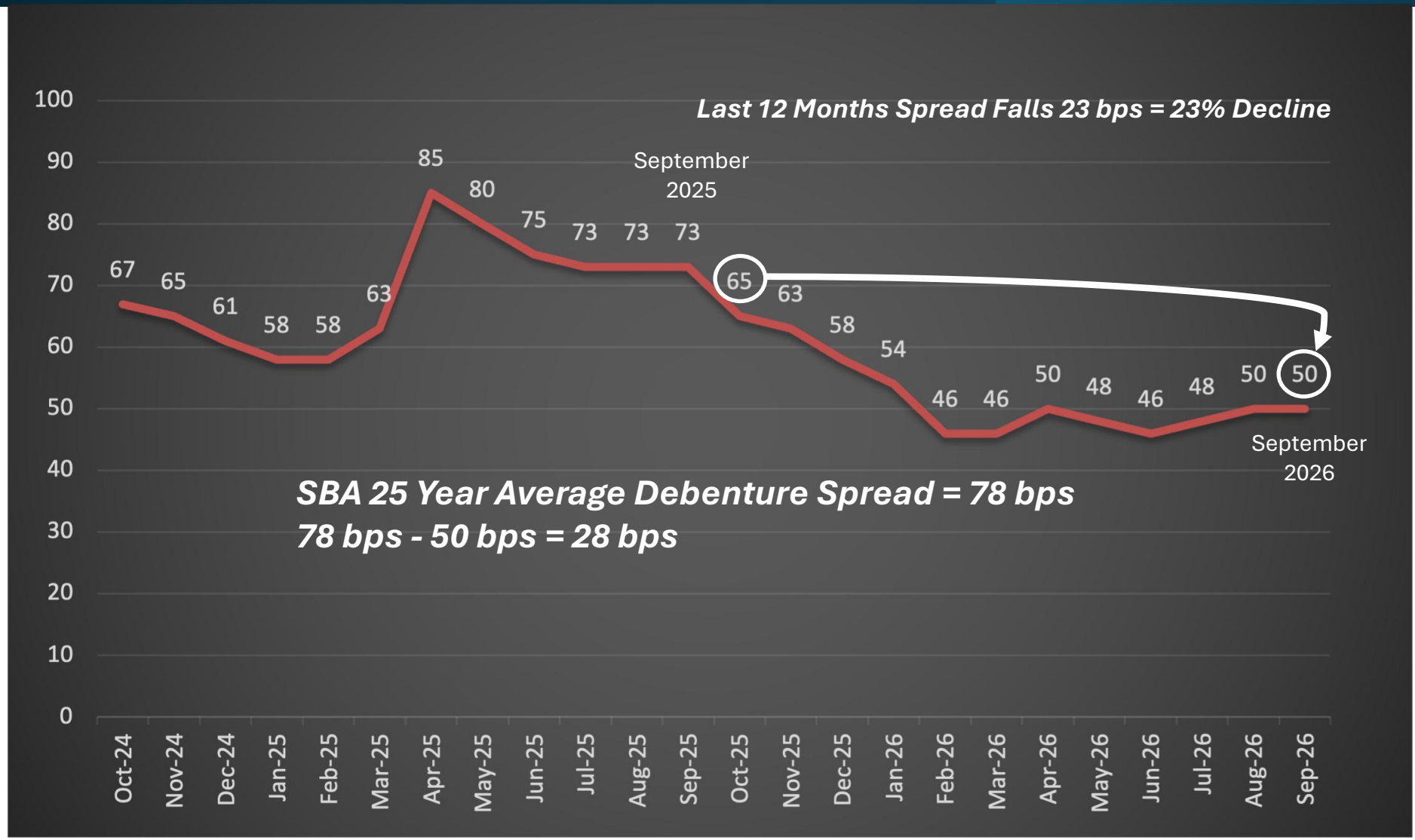




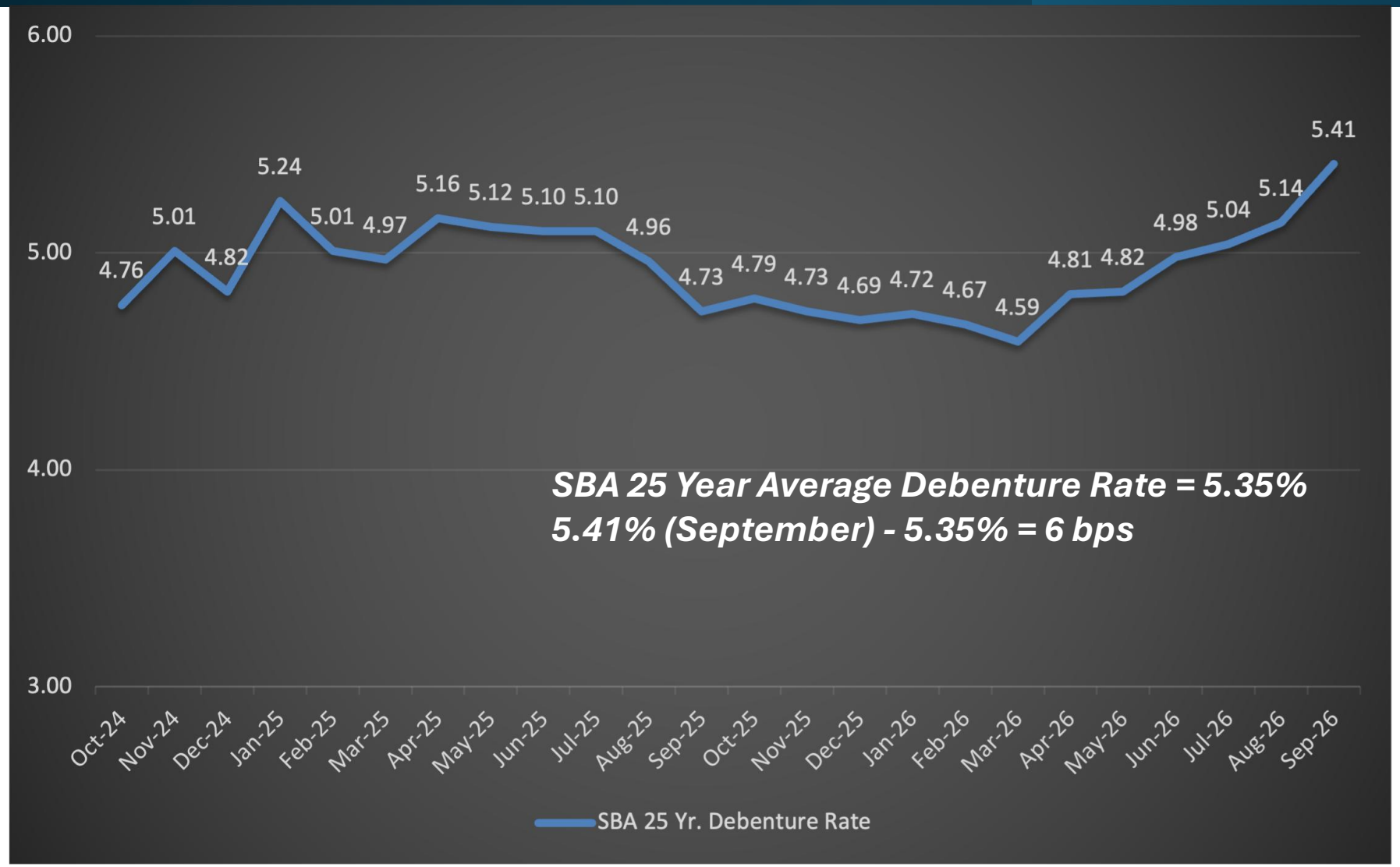
	Debentures	10-Year Maturity Count	%	20-Year Maturity Count	%	25-Year Maturity Count	%
Active	61,184	931	2%	27,063	44%	33,190	54%
Prepaid	109,093	3,576	3%	101,904	93%	3,613	3%
Accelerated	18,376	882	5%	17,073	93%	421	2%
Matured	6,243	1,979	32%	4,264	68%	0	0%
Total	194,896	7,368	4%	150,304	77%	37,224	19%

	Portfolio Amount	10-Year Maturity Amount	%	20-Year Maturity Amount	%	25-Year Maturity Amount	%
Remaining Principal	$39,124,909,409.09	$350,234,052.73	1%	$9,565,861,666.40	24%	$29,208,813,689.96	75%
Prepaid Principal	$40,836,172,485.13	$713,685,479.20	2%	$37,169,154,906.24	91%	$2,953,332,099.69	7%
Accelerated	$9,166,423,751.65	$294,579,708.04	3%	$8,366,823,473.34	91%	$505,020,570.27	6%
Paid Principal	$31,323,193,354.13	$1,855,492,760.03	6%	$26,284,941,954.02	84%	$3,182,758,640.08	10%
Total	$120,450,699,000.00	$3,213,992,000.00	3%	$81,386,782,000.00	68%	$35,849,925,000.00	30%

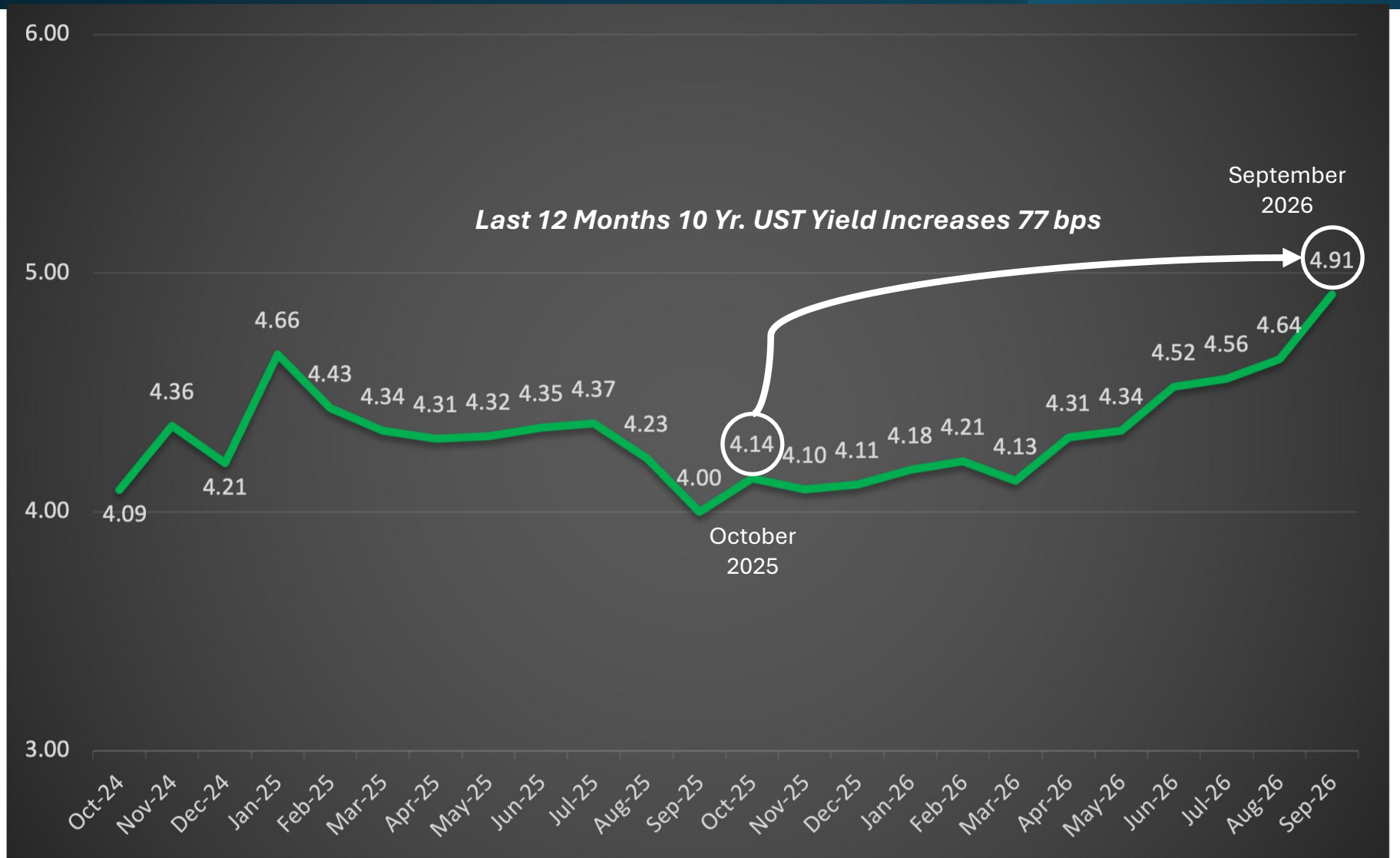
SBA 504 25 Year Debenture Spread to Treasury



SBA 25-Year Debenture Rate

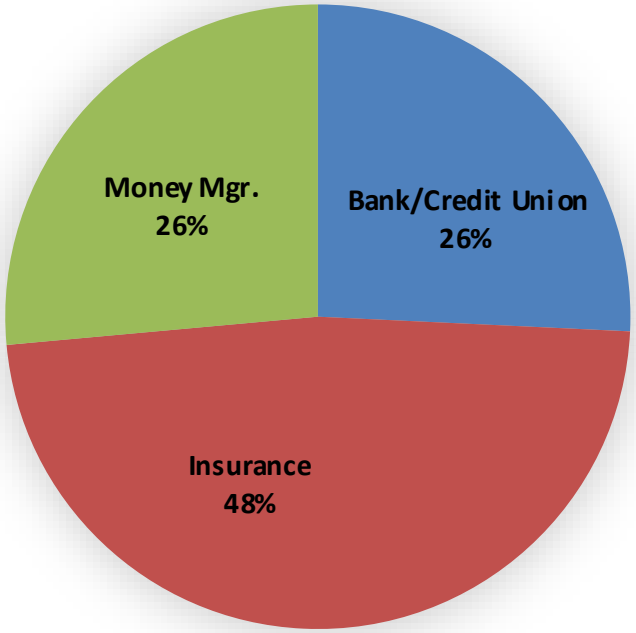


10 Year U.S. Treasury Yield

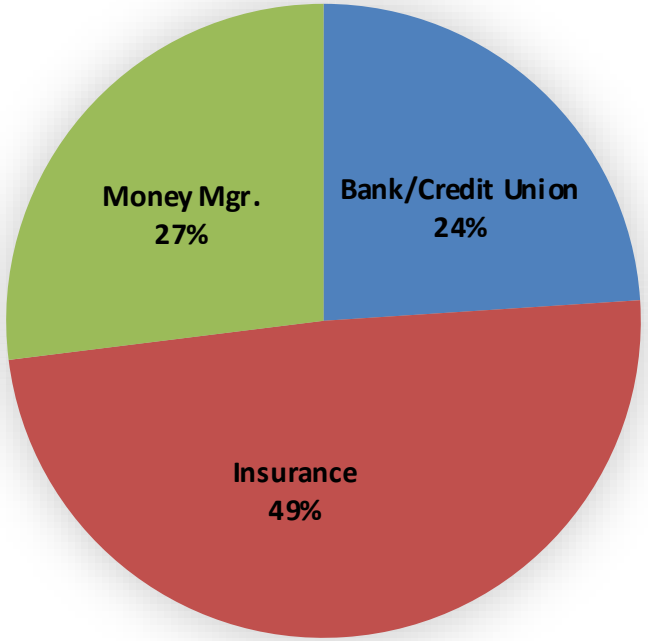


Investor Distribution

All Maturities DCPC Distribution FY26



25-Year DCPC Distribution FY'26



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QUESTIONS?

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4:00 PM – 4:30 PM

General Meeting of the Members

Announcement - New NADCO Board of Directors and Officers

Oregon Ballroom Salons E-F

5:00 PM – 7:00 PM

504PAC Par-tee on the Green

Birdie Time Pub

Buses depart at 4:45 PM from the lobby

What's up next

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THANK YOU!

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