

Rates Remain below 5.00%

April 2019 Newsletter

SBA 504 20-year rates 4.37%, fixed.

SBA 504 25-year rate 4.53%, fixed.

SBA 504 20-year REFi rate 4.39%, fixed.

SBA 504 10-year rates 4.62%, fixed.

City Revolving Loan fund rate 8.00%, fixed.

March Rates drop again.

Rate information: April rates decreased by another 21 basis points. So much for higher rate. It looks like the Fed will hold rate as is for now. We still should see rates rise back to 5% but probably not reach 6% this year. We should expect the Feds continue to put pressure on credit administration to tighten up on credit in 2019; SBA 504 loans are still a good choice to get your deals to the finish line for your customers and keep your credit managers less grumpy. Please keep in mind that Banks can refinance their own debt with the 504 Refinance program.

We have continued to receive great turn-around times from the SBA. We currently have 17 approvals through March, this up considerably from last year. Bank of the Sierra continues to lead the way with 6 approvals; Central Valley Community Bank jumped into 2nd place with 3 approvals in March. Chase Bank is in 3rd place with 2 approvals with several lenders with one approval each. Thank you to all our participating banks for your referrals.

Locally, real estate inventories continue to be very low in all areas for commercial properties, especially for owner-users. Smaller functional properties remain scarce and go quickly if priced right. The SBA 504 Real Estate Program continues to be a great way to finance the acquisition and/or construction commercial real estate for owner-users. 504 loans can be used to finance up to **90%** of the cost of your real estate project. Additionally, 504 Loan can be used for up to **85%** for **special use properties**, such as cold storage facilities and surgery centers.

***For additional information about our loan programs
please contact Cal Cain at (559) 227-1158***