



Rates drop again, well below 4%

**August 2019 Newsletter**

SBA 504 **20**-year rates 3.526%, fixed.

SBA 504 **25**-year rate 3.626%, fixed.

SBA 504 **20**-year **REFI** rate 3.559%, fixed.

SBA 504 10-year rates 3.922%, fixed.

City Revolving Loan fund rate 7.75%, fixed.

Rate information: August rates decreased by another 38 basis points. It looks like the Fed will continue to hold the rates down. We still should see rates rise back up to 4% by year end 2019. We continue to see increased pressure from regulators on our lenders to tighten up on credit in 2019 due to the fear that the real estate market maybe over heating; 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 20 approvals through July. Bank of the Sierra continues to lead the way with 7 approvals; Central Valley Community Bank is giving chase with 4 approvals. Chase Bank is in 3<sup>rd</sup> place with 2 approvals and there are 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 of commercial real estate for owner-users. 504 loans can be used to finance up to **90%** of the cost of your real estate project. 504 Loan can also be used for up to **85% for special use properties**, such as cold storage facilities and surgery centers.

**For additional information**

**Contact: Cal Cain**

**(559) 227-1158**