

HAPPY NEW YEAR!!!

January 2018 Newsletter

SBA 504 20-year rates 4.64%, fixed.

SBA 504 20-year REFi rate 4.69% fixed.

SBA 504 10-year rates 4.64%, fixed.

City Revolving Loan fund rate 6.75, fixed.

Rates Jump up this month.

Rate information: 20-year rates Increased 14 basis points. The 20-year fixed rate is now 4.64%. The 10-year rate increase to 4.64%. SBA 504 rates have been below 5.0% for 42 months in a row. Overall rates remain stable; fluctuating between 4.50 and 4.69 percent. In 2018 we should expect rates to increase modestly due to inflation related to the expected increase material costs because of the reconstruction due to Hurricanes and Fires and the expected cost of labor increasing with California's higher minimum wage in 2018, as well as labor unions asking for more raises.

We remain at 3 SBA approvals for the year. Citizen's Business Bank, Premier Valley Bank and Central Valley Community Bank each have one approval. Thank you to all our participating banks for your referrals.

New information the 504 Program may be adding a 25-year debenture: The regs still have not been published for the New 25-year debenture, they are expected out anytime. We are still expecting implementation by the end of this quarter and applications being accepted by the end of this spring. This will give us 10-year, 20-year and 25 year debenture terms. We do not know yet if there will a different rate charged for the 25-year term. More details to follow later this year.

Real estate inventories continue to be very low in all areas for commercial properties, especially for owner-users. Smaller functional properties are very scarce. 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.

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