

## **July 2017 Newsletter**

SBA 504 20- year rates 4.59%, fixed 4.76

SBA 504 20-year REFi rate 4.64% fixed 4.81

SBA 504 10-year rates 4.50%, fixed

City Revolving Loan fund rate 6.25%, fixed 6.50

### Rates are UP in July

20 year Rates Increased by 17 basis points. The 20-year fixed rate is now 4.76%. The 10-year rate remained at 4.50%. SBA 504 Rates have been below 5.0% for 35 months in a row. Even though rates increased this month they are still relatively low. Fed Chair Janet Yellen as indicated that we should expect to see more modest rate increases in the near future.

We had 1 SBA approval last month. Premier Valley Bank in Paso Robles had their first approval the year with us. We continue to have a three (3) way tie for first place with Fresno First Bank, Bank of the Sierra, Central Valley Bank each with 3 approvals this year. We have a number of deals in underwriting so we plan to show continued improvement in the coming months. Thank you to all of our participating banks for your referrals.

**New information the 504 Program may be adding a 25 year debenture:** No update on the 25-year debenture. SBA is proposing to a 25-year Debenture, some time in Fiscal year 2018. This would give us 10-year, 20-year and 25 year debenture terms. More details to follow later this year.

Real estate inventories continue to be low in all areas for commercial properties, especially for owner-users. The SBA 504 Real Estate Advantage 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**