

July Rates Improve

July 2018 Newsletter

SBA 504 20-year rates 5.254%, fixed.

SBA 504 25-year rate: 5.316%, fixed.

SBA 504 20-year REFi rate 5.303%, fixed.

SBA 504 10-year rates 5.289%, fixed.

City Revolving Loan fund rate 7.50, fixed.

20-Year Rates still above 5.00%

Rate information: Majority of the rates improved this month. The 20-year fixed rate is now 5.254%; the Refinance rate is 5.303% and the 10-year rate to 5.289%. Overall rates are still affordable. We should expect the Fed to raise rates again this year due to inflation related to the expected increase in material costs because of the reconstruction due to Hurricanes and Fires. Additionally, the President's additional tariffs will likely contribute to higher inflation in 2018. And there is pressure from the Labor Market for higher wages.

We currently have 19 loan approvals. Bank of the Sierra, California Bank & Trust, and Chase Bank all lead with 3 approvals. They are followed by 4 banks with 2 approvals each. Central Valley Community Bank, BBVA Compass, Citizens Business Bank, and Fresno First Bank all have 2. Thank you to all our participating banks for your referrals.

The 504 Loan Program Launches its First 25-Year Debenture Sale: The first 25-year debenture gives small businesses more options to secure longer-term loans. 23 loans for \$27,536,000 have been funded this month at a rate of 5.316. The new rates for the 25-year are 6 basis points higher than the 20-year. 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