

## **June 2017 Newsletter**

SBA 504 20- year rates 4.59%, fixed

SBA 504 20-year REFi rate 4.64% fixed

SBA 504 10-year rates 4.50%, fixed

City Revolving Loan fund rate 6.25%, fixed

### Rates mixed in May

20 year Rates dropped by 6 basis points. The 20-year fixed rate is now 4.59%. 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 were relatively flat in May, we should expect to see more modest rate increases in the near future.

We had 1 SBA approval last month. Community West Bank in San Luis Obispo 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:** We received word this week from NADCO that the 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**