

MARCH RATES A MIXED BAG...

March 2018 Newsletter

SBA 504 20-year rates 4.91%, fixed.

SBA 504 20-year REFi rate 4.96% fixed.

SBA 504 10-year rates 5.09%, fixed.

City Revolving Loan fund rate 7.00, fixed.

20-Year Rates remain below 5.00%

Rate information: 20-year rates decreased 3 basis points. The 20-year fixed rate is now 4.91%. The 10-year rate jumped to 5.09%. SBA 504 20 year-rates have been below 5.0% for 44 months in a row. Overall rates are still affordable. In 2018 we should expect rates to increase due to inflation related to the expected increase material costs because of the reconstruction due to Hurricanes and Fires. Additionally, the President's new tariffs will likely contribute to higher inflation in 2018. Hopefully it's a little pain for a lot of gain.

We had 2 SBA approvals last month. California Bank & Trust had their second approval of the year and Fresno First Bank had their first approval of the year. California Bank & Trust is now in sole possession of first place with 2 approvals. We currently have 6 banks with one approval each. 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 by the end of March. We are expecting the implementation to start by April and applications to be accepted by May. 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