

November 2017 Newsletter

SBA 504 20-year rates 4.51%, fixed.

SBA 504 20-year REFi rate 4.56% fixed.

SBA 504 10-year rates 4.38%, fixed.

City Revolving Loan fund rate 6.75, fixed.

Rates Decreased this month.

Rate information: 20-year rates Dropped 12 basis points. The 20-year fixed rate is now 4.51%. The 10-year rate is at 4.56%. SBA 504 rates have been below 5.0% for 38 months in a row, that's over 3 years. The 10-year rate increased to 4.38%. Rates still may increase modestly this year, but they are still low. Fed Chair Janet Yellen has indicated that we should expect to see one more modest rate increase by the end of the year, but not much after that.

New information the 504 Program may be adding a 25-year debenture: The regs for the 25-year debenture should be published by December 29, 2017 and the program should be implemented and accepting applications by March 30, 2018. This would 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 offices are scarce. 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