

## **Rates remain steady**

### **November 2018 Newsletter**

SBA 504 20-year rates 5.25%, fixed.

SBA 504 25-year rate 5.31%, fixed.

SBA 504 20-year REFi rate 5.28%, fixed.

SBA 504 10-year rates 5.18%, fixed.

City Revolving Loan fund rate 7.50, fixed.

#### **October Surprise, rates drop 90 basis points.**

Rate information: Rates increased slightly this month. Overall rates are still affordable and stable. 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 and tariffs will likely contribute to higher inflation into 2019. And there is pressure from the Labor Market for higher wages. Expect prime to reach 6.00% by the end of 2019. Also, expect the Feds to put pressure on credit administration to tight up on credit in 2019.

We are one month into our new year. We had 3 approvals in October, and remarkably all three approvals are with Bank of the Sierra. All other banks are at zero. Thank you to Bank of the Sierra. Thank you to all our participating banks for your referrals.

***The 504 Loan Program Launches its First 25-Year Debenture Sale:*** The new 25-year debenture is off to a good start. This month at a rate of 5.31.

Locally new construction remains at a brisk pace. Real estate inventories continue to be very low in all areas for commercial properties, especially for owner-users. Smaller functional properties are very scarce and go quickly if priced right. 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***