

Happy SBA New Year!

October 2017 Newsletter

SBA 504 20-year rates 4.37%, fixed.

SBA 504 20-year REFi rate 4.42% fixed.

SBA 504 10-year rates 4.14%, fixed.

City Revolving Loan fund rate 6.50, fixed.

First, Thank You to all of our Banking Partners for another successful year. We finished our fiscal year with 25 loan approvals, which matches our total for last year.

We had 1 SBA approval last month with Bank of the Sierra. We ended our year with Bank of the Sierra and Central Valley Community Bank tied with 4 approvals each for the year. Congratulations to Dustin Oliver and Dorothy Thomas. We have a tie for second place with Fresno First Bank and Umpqua Bank with 3 approvals this year. Thank you again to all of our participating banks for your referrals.

Rates Increased for the last month of the fiscal year.

Rate information: 20-year rates increased by 26 basis points. The 20-year fixed rate is now 4.63%. The 10-year rate is at 4.68%. SBA 504 rates have been below 5.0% for 38 months in a row, that's over 3 years. The 10-year rate remained at 4.14%. Even though rates increased this month 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. This month's increase may have occurred in anticipation of the Fed's possible increase

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