

HAPPY SBA NEW YEAR!!!

October 2018 Newsletter

SBA 504 20-year rates 5.15%, fixed.

SBA 504 25-year rate 5.21%, fixed.

SBA 504 20-year REFi rate 5.18%, fixed.

SBA 504 10-year rates 4.841%, fixed.

City Revolving Loan fund rate 7.50, fixed.

October Surprise, rates drop 90 basis points.

Rate information: Our October Rates dropped this month. The 20-year fixed rate dropped 90 basis points to 5.15%; the Refinance rate is 5.18%; the new 25-year rate is 5.21 and the 10-year rate to 4.84%. 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. Additionally, the President's additional tariffs will likely contribute to higher inflation in 2018. And there is pressure from the Labor Market for higher wages.

We finished the SBA Fiscal year with 28 loan approvals. **THANK YOU TO ALL OF OUR PARTICIPATING BANKS.** Central Valley Community Bank claimed 1st place with 7 approvals followed by Bank of the Sierra and BBVA Compass Bank with 4 approvals each. In 3rd place is a tie with California Bank & Trust and Chase Bank with 3 approvals each. Citizens Business Bank and Fresno First Bank had 2 approvals each. United Security Bank had their 1st approval in over 6 years, we are happy they are part of the team again. 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 5.346. The new rates for the 25-year are 5.2 basis points higher than the 20-year. Last month the difference was 6 basis points.

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