

September 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.

Rates drop again!!!

20 year Rates DECREASED by 16 basis points. The 20-year fixed rate is now 4.37%. The 10-year rate remained at 4.42%. SBA 504 Rates have been below 5.0% for 37 months in a row, that's over 3 years. The 10-year rate dropped 35 basis points to 4.14%. Even though rates decreased this month they are still relatively 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. Time will tell.

We had 5 SBA approvals last month. We are now at 24 approvals for the fiscal year. California Bank & Trust, Umpqua Bank, Fresno 1st Bank, Premier Valley Bank and Central Valley Bank each had one approval. Central Valley Bank has taken the lead with 4 approvals for the year, congratulations, Mrs. Thomas. We have a three (3) way tie for second place with Fresno First Bank; Bank of the Sierra, Umpqua Bank each with 3 approvals this year. We still have a number of deals in underwriting so we plan to show continued improvement in the coming months. Thank you to all of our participating banks for your referrals.

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