



CEN·CAL
Business Finance Group

October 2022 Newsletter

SBA 504 20-year rates 6.362%, fixed.

SBA 504 25-year rate 6.439%, fixed.

SBA 504 25-year REFI rate 6.457%, fixed.

SBA 504 10-year rates 5.598%, fixed.

City Revolving Loan fund rate 9.25%, fixed.

It's a New Year for the SBA, but inflation and increasing interest rates are still challenges for all.

Rate information: *Rates jump again in October*. Rates increased 102 basis points (1.024%). We still expect more increases in 2022. The Fed did increase rates this month, due to continued inflation concerns. Groceries, materials, and labor are expected to continue increase at double digit rates this year. We do expect Banks to be forced to continue to raise rates as the Fed raises rates. SBA's 504 volume continues to be high. We should expect that prime could reach 8% during this rate cycle.

The SBA's turnaround time for approvals has improved to 7.5 business days, and servicing action times have improved to 4 business days.

Year End we had 37 SBA approvals. **Tri Counties Bank** is our Top Lender with 13 Loan approvals, followed by Fresno First Bank with 6, Central Valley Community Bank with 4, and Mechanics Bank with 3. Community West Bank, WestAmerica Bank, Premier Valley Bank & JP Morgan Chase with 2 approvals each. Valley Republic Bank, Citizens Business Bank, and California Bank & Trust each have one loan approval. THANK YOU to all our participating banks for your referrals and congratulations to Tri Counties. We look forward to working with all our lenders in the New Year.

City of Fresno RLF MICRO LOANS. Both Our Legacy RLF fund and the Business Recovery RLF fund are completely advanced (No Availability). The total Legacy RLF fund is over \$750,000. Our Business Recovery RLF fund is \$830,000. We are meeting or exceeding all our goals for our 2 RLF funds. Cen Cal has been an "A Rated" EDA Micro Lender for the past 5 years.

The SBA 504 Real Estate Program continues to be a great way to finance the acquisition and/or construction of commercial real estate for owner-users. 504 loans can be used to finance up to **90%** of the cost of your real estate project. 504 Loan can also be used to finance up to 85% of the cost of special use properties, such as cold storage facilities, urgent care, and surgery centers.

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