

Historical 10, 20 and 25-Year Fixed Rates for the SBA 504 Loan Program

20-year Fixed Rates:

DEC '19	NOV '19	OCT '19	SEPT '19	AUG '19	JULY '19	JUNE '19	MAY '19	APR '19	MAR '19	FEB '19	JAN '19
		3.462%	3.359%	3.531%	3.914%	3.983%	4.265%	4.367%	4.586%	4.646%	4.758%
DEC '18	NOV '18	OCT '18	SEPT '18	AUG '18	JULY '18	JUNE '18	MAY '18	APR '18	MAR '18	FEB '18	JAN '18
4.926%	5.591%	5.492%	5.250%	5.301%	5.259%	5.320%	5.222%	5.029%	4.920%	4.940%	4.641%
DEC '17	NOV '17	OCT '17	SEPT '17	AUG '17	JULY '17	JUNE '17	MAY '17	APR '17	MAR '17	FEB '16	JAN '17
4.499%	4.510%	4.635%	4.376%	4.537%	4.766%	4.596%	4.668%	4.625%	4.827%	4.607%	4.585%
DEC '16	NOV '16	OCT '16	SEPT '16	AUG '16	JULY '16	JUNE '16	MAY '16	APR '16	MAR '16	FEB '16	JAN '16
4.596%	4.357%	4.261%	4.082%	4.093%	4.091%	4.232%	4.320%	4.311%	4.553%	4.324%	4.831%
DEC '15	NOV '15	OCT '15	SEPT '15	AUG '15	JULY '15	JUNE '15	MAY '15	APR '15	MAR '15	FEB '15	JAN '15
4.873%	4.778%	4.801%	4.902%	4.909%	4.961%	5.062%	4.850%	4.591%	4.779%	4.546%	4.601%

25-year Fixed Rates (since inception of July 2018):

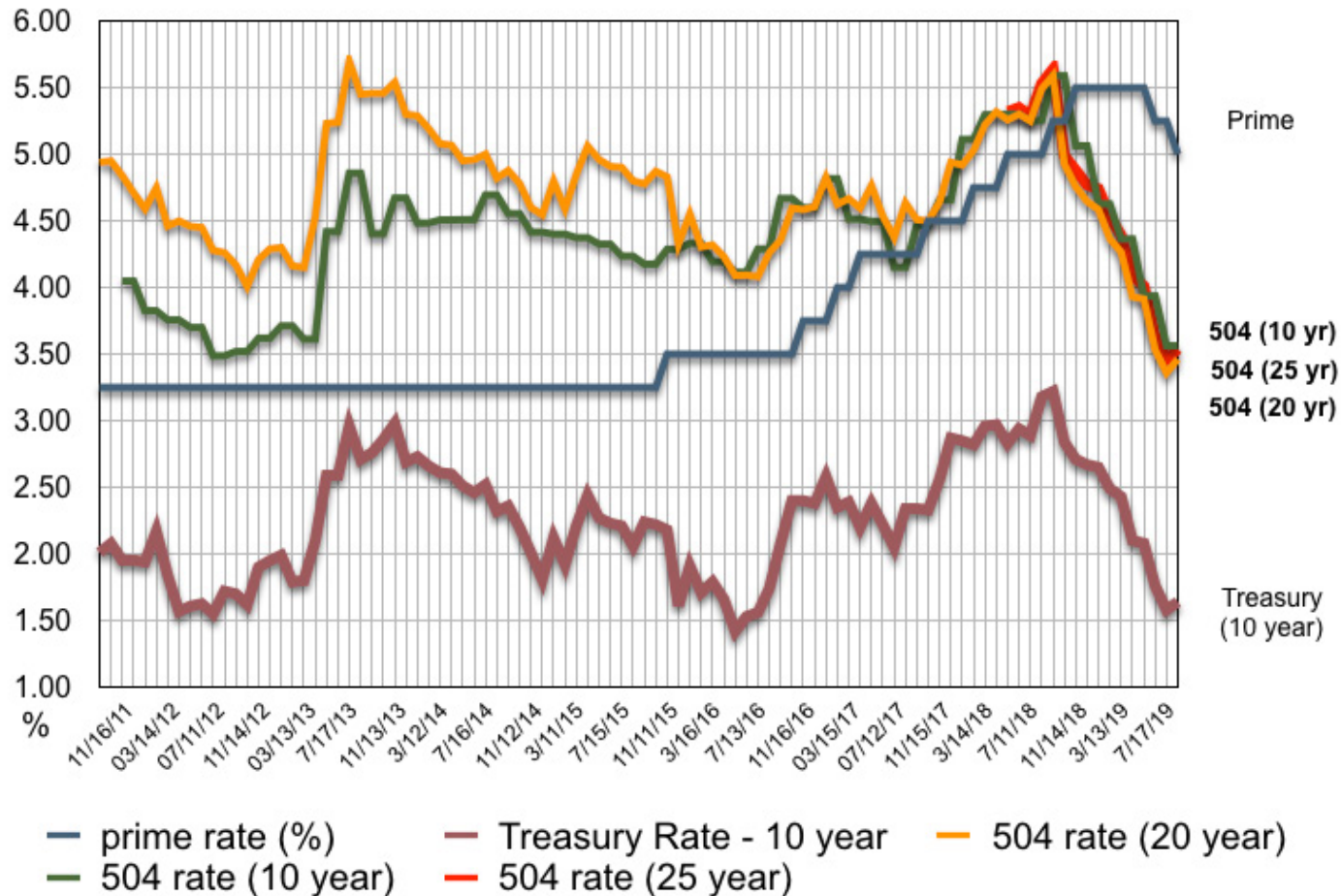
	MAY '19	APR '19	MAR '19	FEB '19	JAN '19	DEC '19	NOV '19	OCT '19	SEPT '19	AUG '19	JULY '19
								3.540%	3.458%	3.630%	4.011%
JUNE '19	MAY '19	APR '19	MAR '19	FEB '19	JAN '19	DEC '18	NOV '18	OCT '18	SEPT '18	AUG '18	JULY '18
4.090%	4.391%	4.532%	4.741%	4.771%	4.881%	4.990%	5.640%	5.532%	5.290%	5.351%	5.320%

10-year Fixed Rates (bond funds only in odd numbered months):

NOV '19	SEPT '19	JULY '19	MAY '19	MAR '19	JAN '19
	3.563%	3.937%	4.365%	4.628%	5.064%
NOV '18	SEPT '18	JULY '18	MAY '18	MAR '18	JAN '18
5.590%	5.252%	5.302%	5.298%	5.112%	4.657%
NOV '17	SEPT '17	JULY '17	MAY '17	MAR '17	JAN '17
4.470%	4.152%	4.497%	4.514%	4.817%	4.598%
NOV '16	SEPT '16	JULY '16	MAY '16	MAR '16	JAN '16
4.669%	4.290%	4.115%	4.194%	4.333%	4.288%
NOV '15	SEPT '15	JULY '15	MAY '15	MAR '15	JAN '15
4.176%	4.236%	4.326%	4.374%	4.401%	4.416%

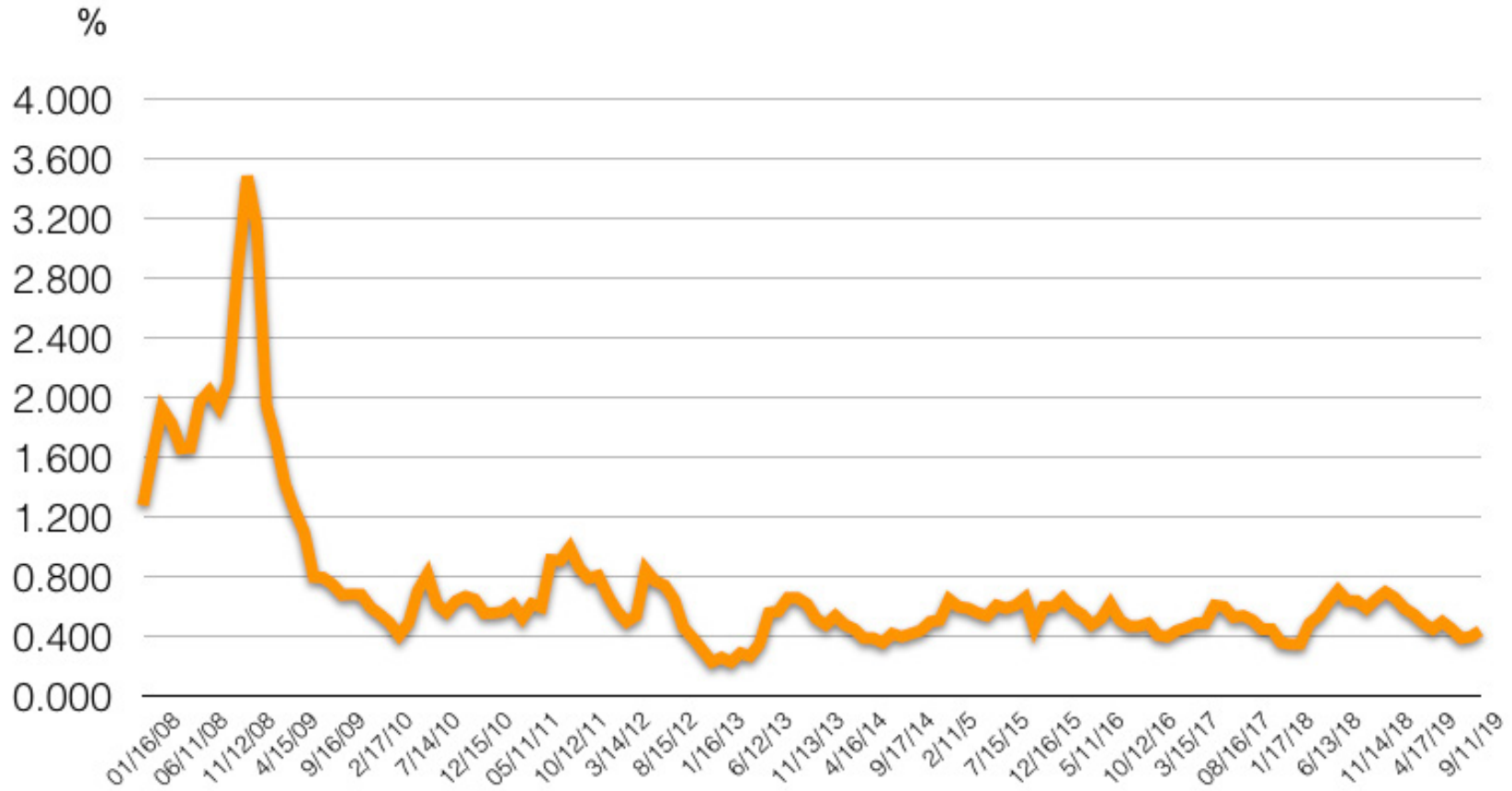


SBA 504 Rates Vs. Prime Vs. 10-year Treasury



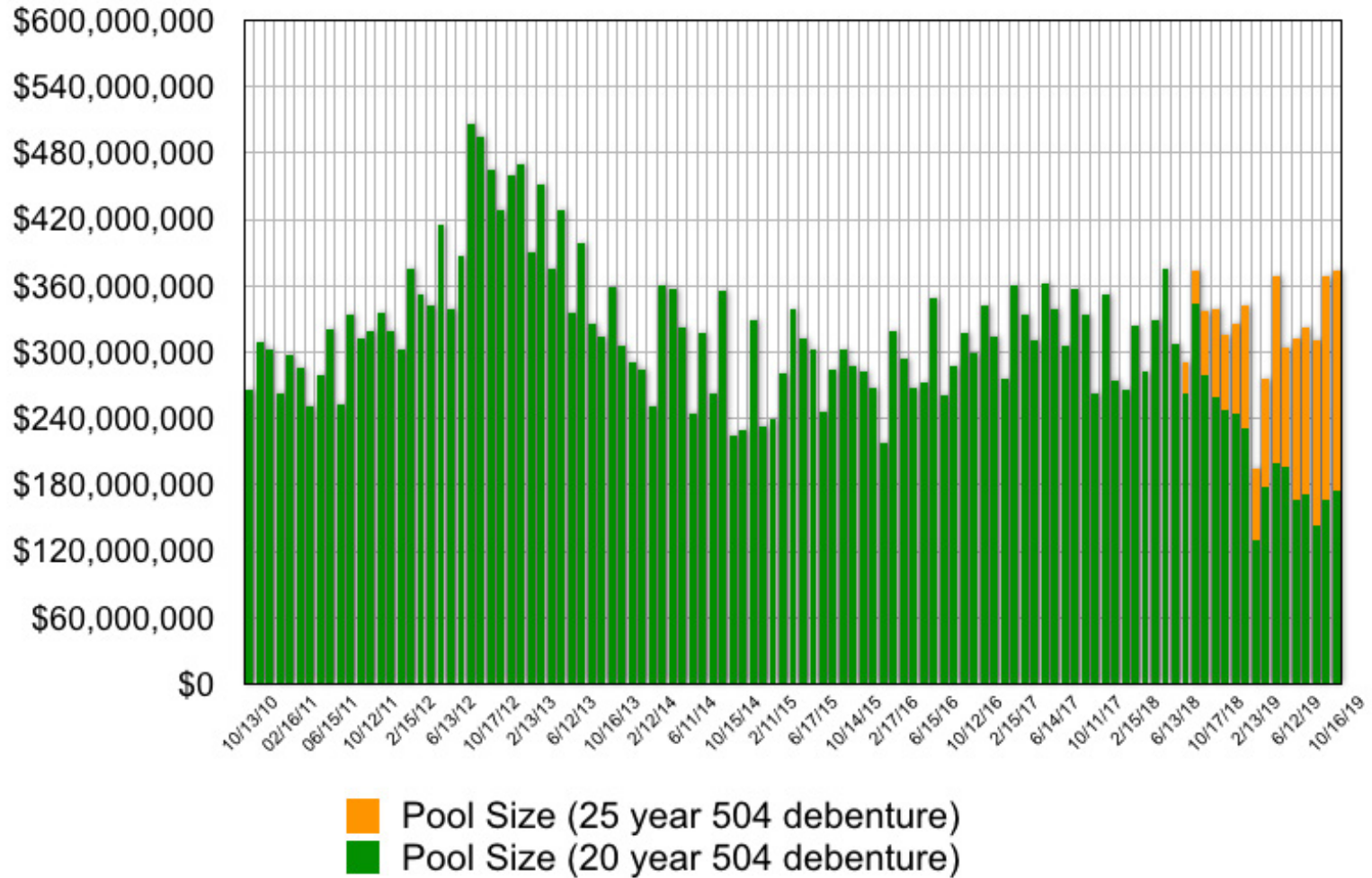
The above chart presents the trend of SBA 504 interest rates Vs. Prime Vs. the Ten-year Treasury rate (the bottom burgundy line) since November 2011. The ten-year Treasury rate is the main determinant of the effective rate a business owner pays under the SBA 504 loan program and as this rate stays low, so do 504 rates.

SBA 504 20-year Debenture -- Spread Over 10-year Treasury (2008 through now)



This chart (above) illustrates the spread investors require over and above the cost of a ten-year Treasury bond before they will purchase 20-year SBA 504 debentures (it is a little higher on the 25-year debenture). As the Treasury rates trend down, the spread will often increase, but apparently just not any more. And as the economy approaches what apparently the Federal Reserve thinks is “balance”, the spread on 504 debentures has moved back under historical average levels so spreads ought to remain reasonably predictable from here on out. Hopefully.

Dollar Size of 20-year & 25-year 504 Bond Sales



Considering the amazing value presented with rates this low, relatively few businesses are availing themselves of the incredibly phenomenal financing opportunity offered by the 504 programs. This last chart simply plots the overall dollar size of the monthly 20-year and 25-year debenture pools over time. Any small business owner looking to better control overhead costs by paying rent to themselves rather than an oftentimes absentee landlord would have to be an extremely “silly Billy” NOT to be interested in 25-year fixed rate financing on owner-occupied commercial real estate at around 3.5% today.