

# 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
						3.983%	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):

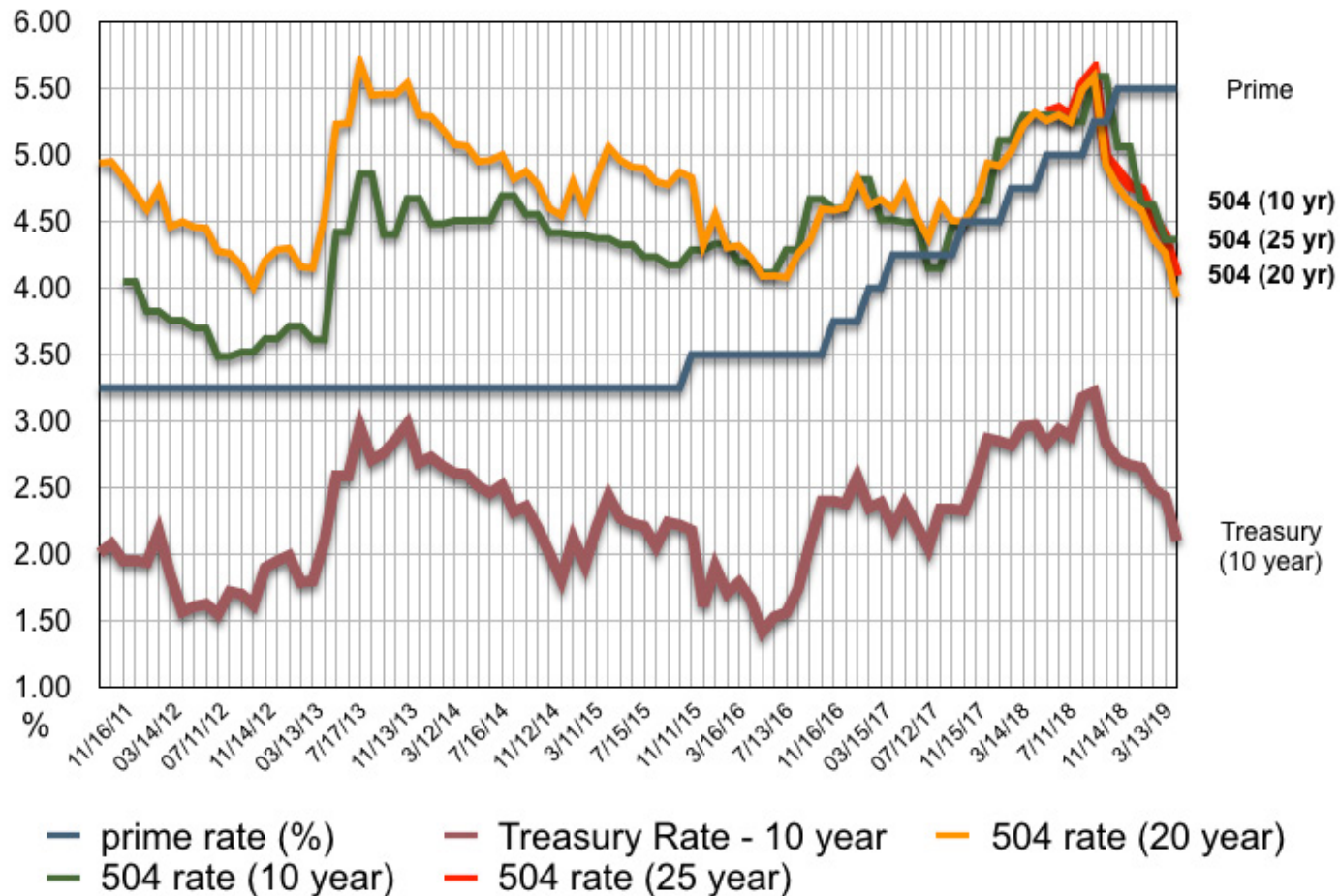
JUNE '19	MAY '19	APR '19	MAR '19	FEB '19	JAN '19	DEC '18	NOV '18	OCT '18	SEPT '18	AUG '18	JULY '18
4.090%	4.391%	4.532%	4.741%	4.771%	4.881%	4.990%	5.640%	5.532%	5.290%	5.351%	5.320%

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

NOV '19	SEPT '19	JULY '19	MAY '19	MAR '19	JAN '19
			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%

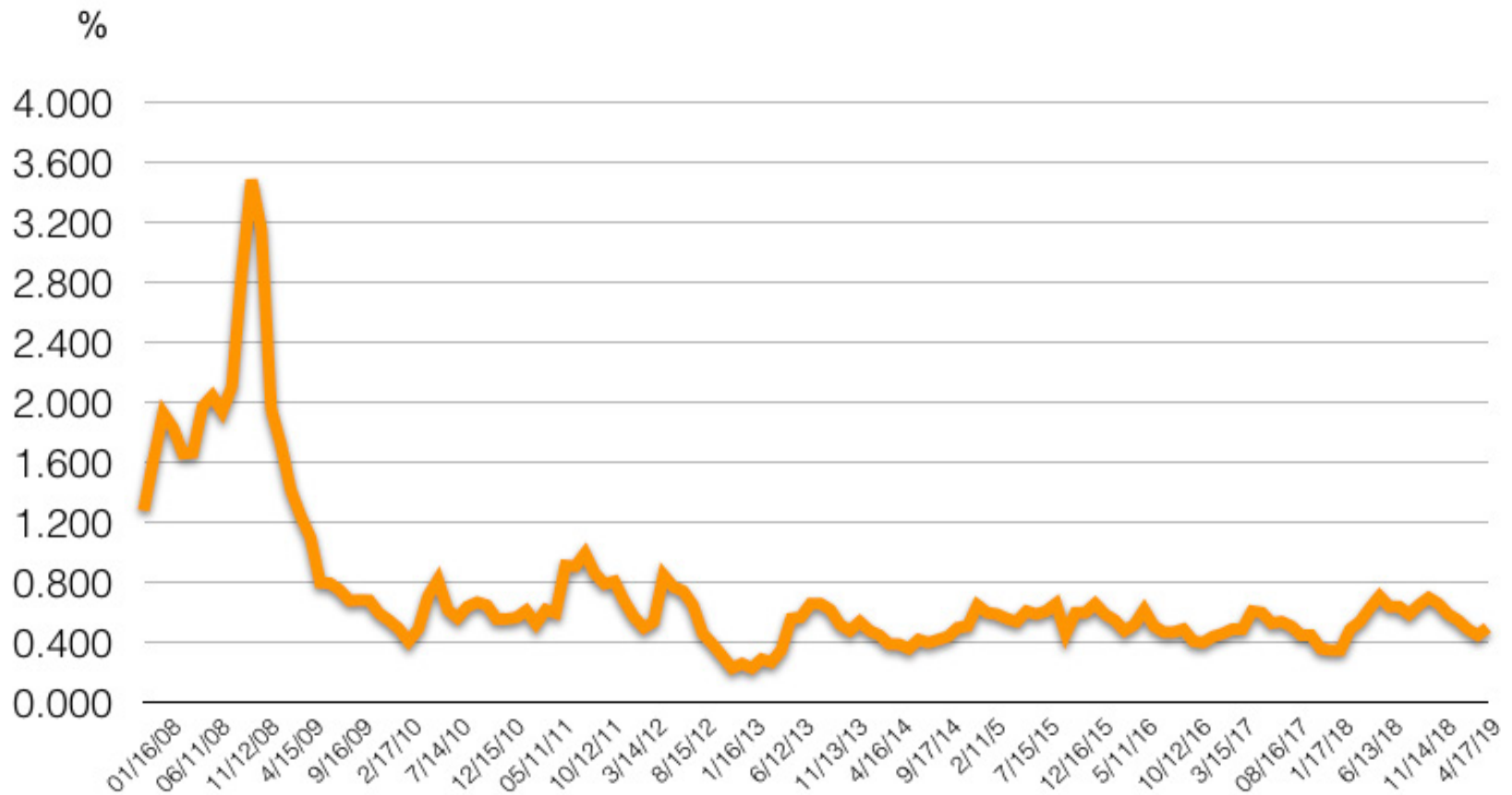


## SBA 504 Rates Vs. Prime Vs. 10-year Treasury



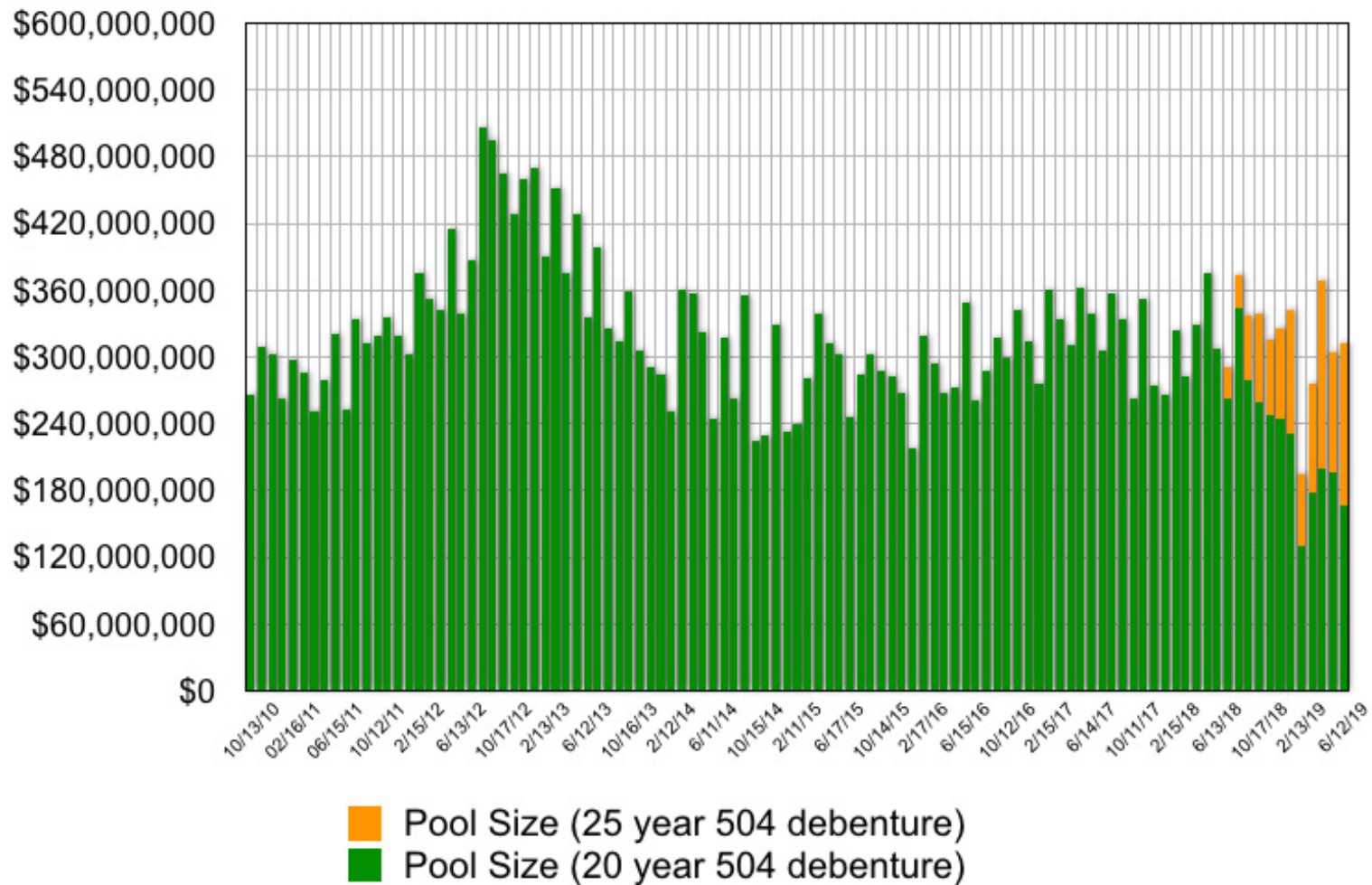
The above chart presents the trend of SBA 504 interest rates Vs. Prime Vs. the Ten-year Treasury rate (the bottom burgundy line) since November 2011. The ten-year Treasury rate is the main determinant of the effective rate a business owner pays under the SBA 504 loan program and as this rate continues to plummet, thusly do 504 interest 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 this year. And as the economy approaches “balance” from a monetary policy perspective, the spread on 504 debentures has moved back to historical average levels so spreads should remain reasonably predictable from here on out.

# Dollar Size of 20 & 25 year 504 Debenture Sales



With rates this low, it is surprising that not many small businesses are still taking advantage of the phenomenal 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. Demand is gradually starting to pick up but any small business owner looking to better control overhead costs by paying rent to themselves, would have to have rocks in their head to NOT be interested in 20-year fixed rate financing at below 4% today.