

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

## 20-year Fixed Rates:

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%
DEC '14	NOV '14	OCT '14	SEPT '14	AUG '14	JULY '14	JUNE '14	MAY '14	APR '14	MAR '14	FEB '14	JAN '14
4.782%	4.879%	4.821%	5.002%	4.960%	4.952%	5.069%	5.080%	5.192%	5.289%	5.309%	5.541%

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

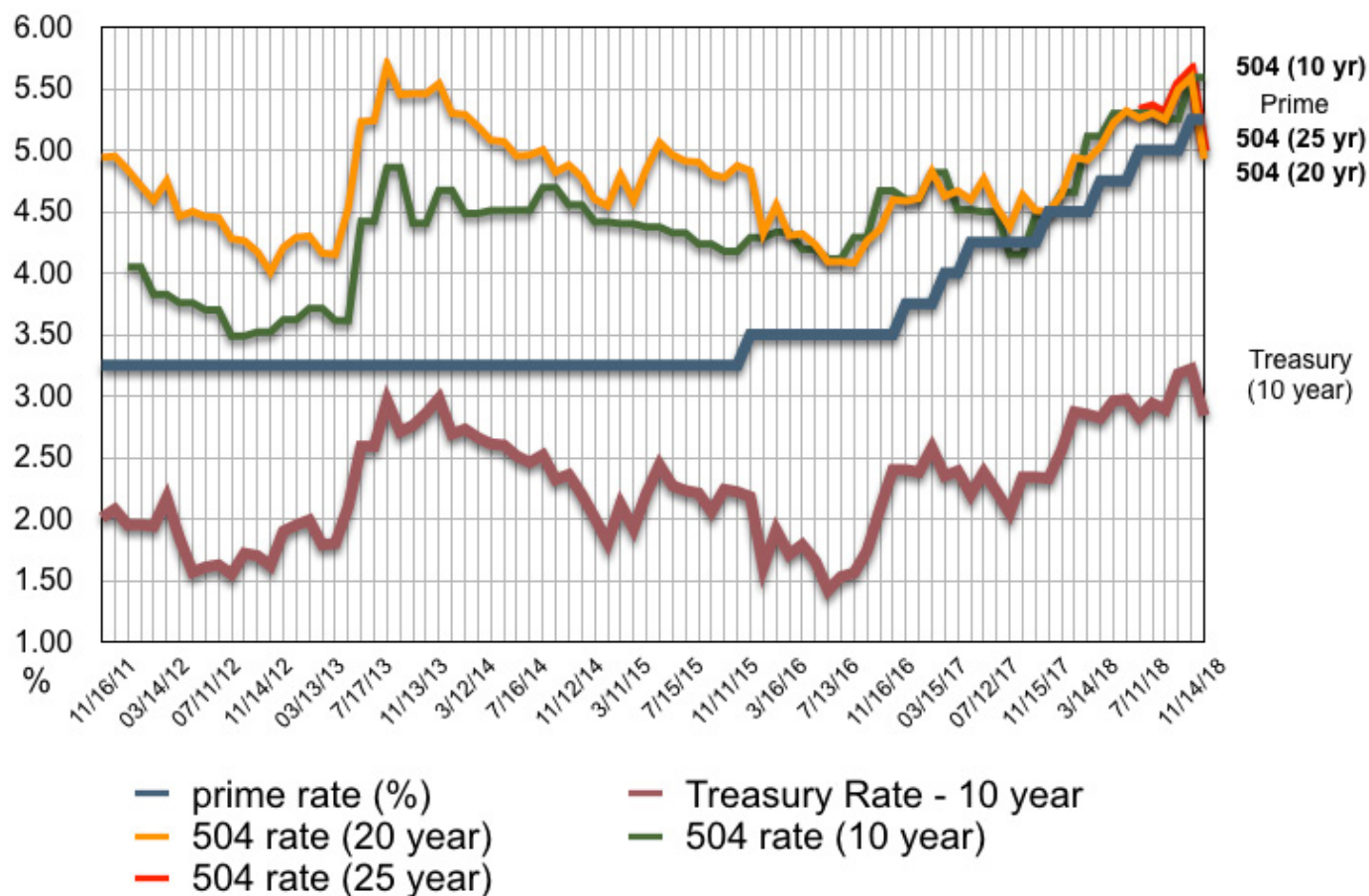
NOV '18	SEPT '18	JULY '18	MAY '18	MAR '18	JAN '18
5.590%	5.252%	5.302%	5.298%	5.112%	4.657%
NOV '17	SEPT '17	JULY '17	MAY '17	MAR '17	JAN '17
4.470%	4.152%	4.497%	4.514%	4.817%	4.598%
NOV '16	SEPT '16	JULY '16	MAY '16	MAR '16	JAN '16
4.669%	4.290%	4.115%	4.194%	4.333%	4.288%
NOV '15	SEPT '15	JULY '15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

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

DEC '18	NOV '18	OCT '18	SEPT '18	AUG '18	JULY '18
4.990%	5.640%	5.532%	5.290%	5.351%	5.320%

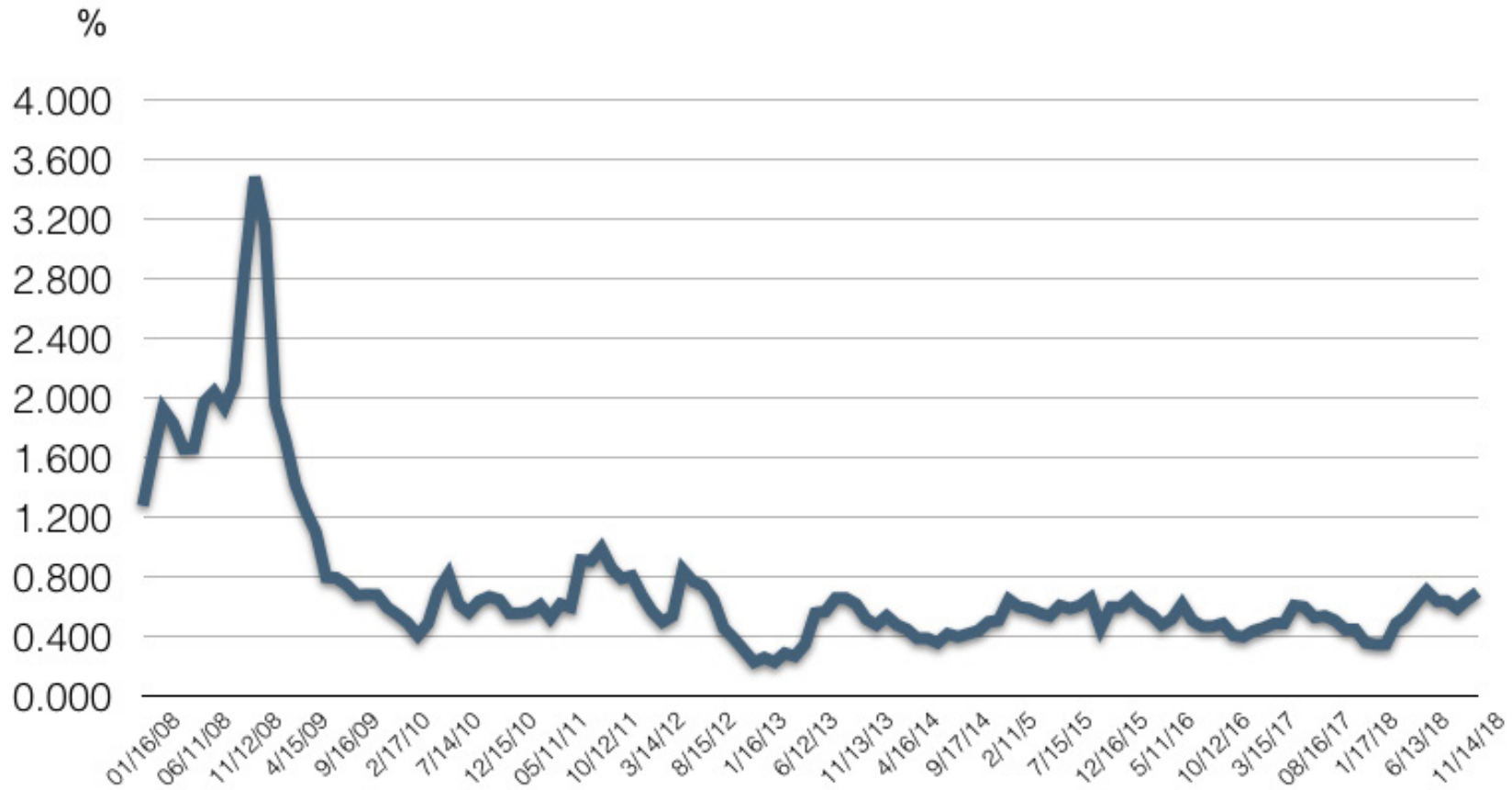


## SBA 504 Rates Vs. Prime Vs. 10-year Treasury



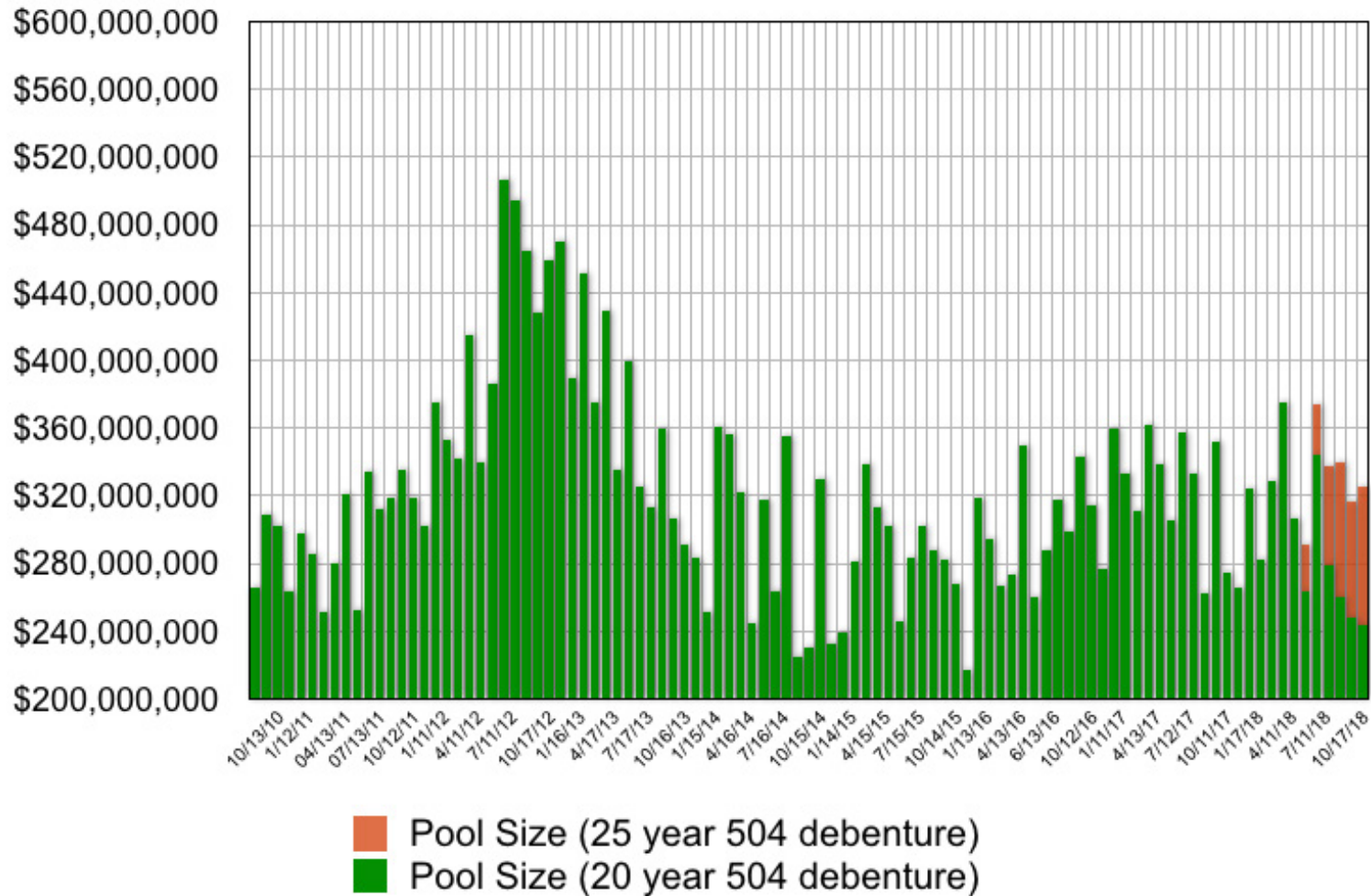
The above chart presents the trend of SBA 504 interest rates Vs. Prime Vs. the Ten-year Treasury rate (the bottom burgundy line) since November 2011. The ten-year Treasury rate is the main determinant of the effective rate that a small business owner pays under the SBA 504 loan program and as this indicator ticked back down under 3% in December, so too did the interest rates on all new SBA 504 loans approved after October 1, 2018.

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



This chart (above) illustrates the spread investors demand over and above the cost of a ten-year Treasury bond before they will purchase 20-year SBA 504 debentures. As the Treasury rates trend down, the spread will often increase, which is exactly what happened in December. As the economy approaches “balance” from a monetary policy perspective, the spread on 504 debentures is also back to historical average spreads.

# Dollar Size of 20 & 25 year 504 Debenture Sales



This final chart simply plots the overall dollar size of the monthly 20-year and 25-year debenture pools. December was another month where more and more small business borrowers began choosing the 25-year fixed rate option, always the smart thing to do in an environment where interest rates will continue to rise, albeit at a slower rate, for the next year or so.

Why wouldn't anyone who is looking to financing their own space in the near future, consider using the 504 loan program?