

April Interest Rate on SBA 504 Loans Declines to Record Low - 5.25%

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The Small Business Administration's (SBA) 504 loan program is currently providing long-term, fixed rate financing for commercial real estate at the lowest interest rate since the program's inception. The SBA's lending partner in Oregon, Cascades West Financial Services, Inc. is busy working with small business borrowers who are taking advantage of this record low interest rate to finally purchase or build their new facilities.



[NADCO](#), the trade association for the nation's Certified Development Companies (CDCs), reports that the interest rate for a 20-year [SBA 504 loan](#) has hit a record low for the projects funded in April 2009. This rate is the lowest it has been since the program's inception in 1986. The April debentures that funded this month's SBA 504 loans were sold to investors at an interest rate of 4.31%. This low rate, coupled with the new fee reductions provided by the Congressional stimulus bill, led to an effective interest rate - including servicing fees - of only [5.25%](#) for this month.

This is truly an historic opportunity for access to long term capital for small businesses right now. The low rate that the 504 debentures sold for this month is added to the stimulus bill fee reductions and the continuation of the elimination of the SBA's borrower fee for this year. All these factors make the interest rate for SBA 504 loan the lowest it has ever been for small business borrowers. This is an incredible rate for a 20-year, fixed rate commercial loan with as low as a 10% down payment.

The [Small Business Administration's](#) (SBA) 504 loan program provides long-term, fixed rate financing for commercial real estate. Since its inception 504 has funded nearly \$40 billion in loans to growing small businesses. Cascades West Financial Services, Inc, the Largest Oregon based CDC, is extremely busy working with small business borrowers who are taking advantage of these record low interest rates to purchase, build or expand their own facilities.

Added to the advantages of these low interest rates and fees, with some businesses closing their doors as a result of the recession, there are more and more commercial properties coming onto the market at very attractive prices. If a small business has been considering investing in a building, now is a great time to act. Congress has eliminated fees on SBA 504 loans as a way to provide new low cost opportunities for small businesses to invest in their own facilities. With these historical low rates, and no up-front fees, now is the time for business owners to consider expansion of their facilities.

Cascades West is working hard with our bank partners and we have money available for sound business expansion projects.

IMPORTANT NOTE:

It has come to our attention that many of you are not able to receive our emails because of an automatic blocking or marked as junk mail by your internet service. This appears to be a particular problem with AOL users. For those of you that may be experiencing these problems, you can take care of it by putting us into your address book or add us to your safe list within Outlook. E-mail addresses that are listed in your Contacts are considered safe by the Junk E-mail Filter if the Also trust e-mail from my Contacts check box is selected (the default setting).

To add us to your safe list do the following within *Microsoft Outlook*:

1. On the Tools menu, click Options.
2. On the Preferences tab, under E-mail, click Junk E-mail.
3. Click the Safe Senders tab the Add... button.
4. Type Jim@cwfsi.net to add to your safe senders list.